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Karen L. Pennell

Faron W. Hurst

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## *The Role of the Financial Aid Office as a Student Service*

*by Karen L. Pennell and Faron W. Hurst*

Reductions in federal funds for student financial aid have heightened and in some cases created a conflicting dual responsibility within college and university financial aid offices. Personnel must insure compliance with a myriad of federal, state and institutional regulations and policies, and at the same time attempt to meet student defined needs. In addition, institutions may no longer depend on federal student financial aid to augment indirectly operating budgets, insure continued student enrollment, or supplement institutional aid programs. These reductions, in essence repealing many portions of the Middle Income Student Assistance Act of 1978, have placed additional burdens upon institutional aid offices and have forced many offices to redefine their role on campus and the services they provide. Many students previously eligible for assistance no longer meet eligibility requirements for aid, and financial aid offices must adequately explain individual reductions to these students, thus adding an additional dimension to their student service function.

The time has come for all aid offices to examine their effectiveness as a student service and question their present role in providing financial assistance to help students meet their college costs. Traditionally, the aid office has educated students and parents about financial aid programs and their requirements through the dissemination of financial aid information and has awarded aid to needy and eligible students in accordance with federal, state, and institutional regulations. However, the present economic climate suggests that aid offices must expand their traditional services to include the investigation and development of alternative funding sources to replace reduced federal and state funding. Consequently, institutional aid offices, already burdened with increased regulations and decreased administrative resources, must, as a student service, suggest realistic alternative sources of funding. In addition to providing efficient, informative and courteous service to students, they must also propose reasonable solutions to meeting college costs to a greater number of students.

The federal government monitors and requires institutional audits of financial aid operations according to standard guidelines. However, the evaluation of the aid office as a student service is an intangible and therefore difficult evaluation to make. In an attempt to perform such an evaluation, the Office of Student Affairs Research at the University of Oklahoma (O.U.) recently developed a questionnaire designed to elicit student responses to questions relating to specific areas of financial aid services. The survey was designed to obtain student's views of the Financial Aid Office as a student service, their knowledge of financial aid programs provided at O. U., and their suggestions of ways to improve existing services. This article details and discusses the results of that survey and suggests certain implications for other institutions.

Karen L. Pennell is Director of Financial Aid at Oscar Rose Jr. College in Midwest City, Oklahoma. Faron W. Hurst is a Research Assistant in Student Affairs Research at the University of Oklahoma, Norman.

## BACKGROUND

The University of Oklahoma Financial Aid Office, with a staff of twelve professional employees and sixteen support personnel, processes more than 10,000 applications annually. Office functions are divided between Counseling/Evaluation and Operations, with an Assistant Director to oversee each division, along with both an Associate Director and a Director overseeing all aspects of office policy, planning and the development of new sources of aid. Student contact through interviews, needs analysis and packaging of available aid is handled through the Counseling and Evaluation function while Operations is responsible for data entry, reporting and records maintenance.

On a rotating basis, each of eight financial aid counselors maintains a half-day student appointment schedule with the remainder of his/her time devoted to paperwork and "on-call" responsibility to see students and answer phone calls on an emergency basis. At any given time, four counselors are available for interviews and two counselors are "on-call". This rotating schedule was devised to give students access to financial aid professionals within reasonable time frames while insuring timely application turn around. The system, in operation since 1979, was developed through trial and error over many years and is intended to provide increased service to students, confront crisis situations, and offer the counselors varied job responsibilities in a structured setting.

During the 1979-80 academic year the Financial Aid Office installed a comprehensive computer software system featuring functions such as tracking of application processing, packaging of aid, award notification and funds management. Following its implementation, many office procedures were changed to produce a more efficient file maintenance system and the ability to obtain accurate daily application status reports. As a result of these changes, the 1980-81 academic year seemed a good time to conduct an evaluation of how well the aid office was functioning as a student service.

### *Method*

The survey was developed after a review of literature reporting student views of services offered by financial aid offices.<sup>1</sup> Students were asked to evaluate services provided by the Financial Aid Office based either on their own personal experience, if they had used these services, or on information they had heard from fellow students if they had used no services. Recommendations for change were also solicited through an open ended question designed to encourage critical comments.

The questionnaire, which consisted of 45 questions, was mailed to a ten percent (2,023) random sample of students enrolled at the University during the 1980 Fall semester. The questions elicited student perceptions on four major areas of concern to the Financial Aid Office: staff/student interpersonal relations, procedures in awarding aid, accessibility of staff, and student knowledge of specific programs. (See Table 1.) Results of the study were obtained from the 562 usable questionnaires which were returned. Of the 2,023 surveys mailed, 71 were returned due to inability to deliver them to the addressee. The 562 usable responses represented a 29 percent return rate.

A chi square analysis of the responses verified that the student classification and age of the sample accurately represented the total student population in terms of those two variables. Of the 562 respondents, 52 percent (292) stated they had used

<sup>1</sup>The authors, after extensive research, have found no published surveys on this subject.

services provided by the Financial Aid Office. Those 292 were asked to respond to 34 questions relating to specific services of the office. The remaining 48 percent (270) of the respondents were asked to complete 11 questions based solely on information they had heard from other students.

#### *Results*

Analysis of the data shows a number of important subgroup differences in students' overall evaluation of the office based on their own personal experience. Students who attended only the University of Oklahoma gave better overall ratings than did those students who transferred to the University. For example, 53 percent of those students who had attended only the University of Oklahoma rated the office as either good or excellent compared to 42 percent of the transfer students. Full-time students evaluated the office more favorably than did part-time students (52 percent rated it excellent or good compared to 37 percent) and underclass student evaluations were higher than were upperclass evaluations (56 percent rated it excellent or good compared to 46 percent).

However, the differences in student evaluations were much less obvious where marital status was a factor, although a somewhat higher percentage (50 percent) of single students evaluated the office as excellent or good compared to married students (45 percent). Students 22 years old or under showed the highest positive evaluation of the three age groups surveyed (52 percent rated the office excellent or good). The data showed no difference between the percentage of students 23 - 39 years old and the percentage of students 30 years old or over who rated the Financial Aid Office as excellent or good (45 percent for each group).

As noted, one aspect of the survey sought student evaluations of the O. U. Financial Aid Office based on personal experience. Among these respondents, the highest level of satisfaction was found in being able to complete an application without help and in the interpersonal skills of the counselors and the reception staff. Sixty-nine percent of the students who had personal experience with the office stated their aid evaluation was objective and non-discriminative, with 73 percent rating the counseling staff as being courteous and helpful. The lowest evaluations related to the quality of information provided by the office and the disbursement procedures.<sup>2</sup> Groups reporting the greatest dissatisfaction with available services included transfer students, part-time students, upperclassmen, graduate students and older students.

Respondents were also asked to recommend ways in which the Financial Aid Office could be improved to meet individual needs. Sixty-one percent (344) of the respondents (562) completed this open-ended item. Even though the item was worded to elicit critical comments, 28 students made positive remarks regarding specific staff members and the handling of their aid applications. Forty-four percent of the total respondents recommended that more information about financial aid services and programs be provided while 22 percent of the total respondents felt that needs analysis procedures should be changed. Nearly 17 percent of the students indicated a need for modification of disbursement procedures.

#### *Discussion*

The survey illustrates that improved education regarding financial aid programs

<sup>2</sup> Even though not a function of the Financial Aid Office at O. U., procedures for the disbursement of aid were queried by the survey and rated by the respondents to need improvement. The study was completed before a major change in aid disbursement procedures was recommended by the Financial Aid Office following implementation of O. U.'s new computer software program. Disbursement of financial aid is now completed during the first week of each semester, using an appointment schedule for individual students, and delays in students' receiving awarded aid are now minimal. A complete evaluation of present disbursement procedures is now being made by a follow-up survey.

and services is needed. Underclassmen proved more knowledgeable about financial aid services than upperclassmen which may indicate that financial aid information is successfully disseminated by high school counselors before students arrive on campus and by campus personnel while students are living in University housing. Since most underclassmen live in University housing (freshmen are required to live in University dormitories) and a majority of upperclassmen live off-campus, it may be that financial aid information is not reaching those students living off-campus. The data may also indicate that recent efforts to disseminate information to entering students have been successful but have not been conducted long enough to have an effect on all enrolled students.

Suggestions to correct the information problem include increased financial aid publicity in the student newspaper, regularly scheduled information sessions specifically designed to help upperclass and off-campus students to solve their unique problems, and, if funding permits, direct mailings about financial aid sources sent to enrolled students. In addition, complete analysis of all financial aid informational literature and its dissemination should be made annually to insure that students are receiving clear, timely and understandable information about aid programs and the aid process.

The survey also revealed a very important perception by students that it is important to know what specific programs are available to them and how their eligibility for assistance is determined. Aid offices are apparently viewed by many students as a hindrance rather than a resource center or clearinghouse for sources of funding to assist them with financial problems. Given the number of forms an aid applicant is required to complete, the strict deadlines and the often extended periods spent awaiting award determinations, this attitude is hardly surprising. It is especially important to recognize that students and their parents, even if well educated in a general sense, often may know little about specific programs, requirements and procedures. The aid office could minimize the confusion and frustration sometimes caused by the aid process by utilizing easy to understand, step by step illustrations in their literature. Offices should test their literature as a communication tool by asking students to read the material and restate what they learned from it. Their ability to pretest materials together with gathering comments and suggestions for improvements should provide an excellent critique and permit corrections of communication problems and ambiguous areas.

It is also important to note that information may well be aimed toward the wrong audiences. Instead of targeting the bulk of the information on the entire student body, perhaps a more effective technique is to target information on "opinion leaders" to insure that students who need financial assistance contact the aid office. This would require a concerted effort to identify the key opinion leaders on campus. Opinion leaders may include resident floor advisers in the dormitories, Greek organization leaders, leaders of other social organizations, student political leaders such as student government officers and representatives or possibly captains of intramural athletic teams.

Information may be disseminated to these leaders through such mass media as campus newspapers and local radio stations. However, other effective and less costly techniques that can be used include personal, semi-informal information meetings between leaders and financial aid personnel as well as pamphlets placed in areas easily accessible to the leaders. Visually and psychologically appealing notices placed on strategic bulletin boards should also prove effective. Financial aid personnel should realize that the basic intent of the information provided to these opinion leaders is not to inform them of technical financial aid procedures but to familiarize them with services the Financial Aid Office renders. The leaders could, during the course of normal contact with other students, refer those students having

financial difficulties to the Financial Aid Office.

Further analysis of the concepts discussed above regarding diffusion of information as described by Rogers (1962) reveals some unique yet useful insights into lessening the amount of distorted information diffused and promoting the spread of accurate information. In light of Rogers' notions of how information is disseminated within a social system, financial aid offices may be going about dissemination of information in a most ineffective manner.

Rogers defines the process of information diffusion as the spread of information from its source to its ultimate users and argues that the essence of the diffusion process is human interaction (p. 13). In addition, he states that in any social system, there are leaders and there are followers. Leaders are more innovative, have higher social status and are involved in more social participation, both formal and informal (pp. 241 - 242). However, the most striking difference between leaders and followers is that they gain the bulk of their information from different sources. Leaders gain most of their information from outside the immediate social system (i. e., from mass media sources such as newspapers, radio, television, as well as from personal contacts with persons other than their peers) whereas followers tend to obtain most of their information from opinion leaders who are their peers (pp. 237 - 238).

In explaining the two-step flow of information, Rogers suggests that information spreads "via relevant channels to opinion leaders and from them by way of personal communication channels to their followers" (p. 213). Thus the first step from sources to opinion leaders is basically a transfer of information. However, the step "from opinion leaders to their followers may also involve the spread of influence" (p. 213).

What the authors are suggesting is that financial aid offices may have expended too much effort in trying to inform the entire student population of their services. Rogers' research on how information is diffused suggests that there are probably more effective ways to disseminate information urging students to visit the aid office. Letting fellow students whose opinions are valued spread the information that the aid office can help students finance their education may be an effective device in informing a perpetually greater number of students about the services the aid office provides and would identify the aid office as a clearinghouse for financial aid opportunities and information.

Another serious problem revealed by the survey is that transfer, upperclass, graduate, part-time and older students all were generally more dissatisfied than others with services provided by the Financial Aid Office. The majority of these students live off-campus, have larger student cost budgets than on-campus students and, in many cases, have increased expenses due to the size of their household and transportation costs and child care. The aid office's evaluation of these students' applications is more complex due to the need for institutional validation of information reported by the applicant. In addition, these students often have larger need expectations which cannot be met by institutional financial aid. As a consequence, it is not surprising that they feel the aid office is not meeting their need. However, their dissatisfaction could be reduced if several areas of the financial aid service were improved. For example, many students are not knowledgeable about how student cost budgets are determined, or that resources are netted against budgets to determine need. A complete description of what goes into each student budget, including the rationale for all budget figures used, should be included in financial aid literature. All budget data, including the results of budget surveys and calculations to allow for cost of living increases, should be fully explained. This detailed information would assist the aid office in explaining how a particular student's budget was derived as well as allow students to evaluate their personal budget in comparison to a standard mean.



Another service the aid office could render is the presentation of seminars on personal budget planning. Many college students are away from home for the first time, faced with the need to allocate their limited resources to everyday expenses such as rent, food, medical expenses, insurance premiums and clothing. Assisting students in devising personal budgets and apportioning their financial aid and other resources to carry them through the academic year would be helpful to both the student and the aid office, especially because many students find they have exhausted their funds before the school year ends.

The aid office also can expand student service by investigating alternative funding sources. Since federal and state aid is decreasing, aid offices with institutional and community assistance can help alleviate the plight of the middle income student and those not eligible for traditional need-based programs by securing funding through innovative means. The Financial Aid Office and the institutional development office should work jointly to secure additional resources for student assistance. Scholarship donors should be actively sought and a comprehensive plan should be developed to provide on-going scholarship funding. The University of Oklahoma started such a program in 1978. The original plan was to seek 100 donors to give an unrestricted \$1,000 a year to the University for the purpose of academic excellence and scholarship funding. As of this date, the program has expanded to more than 1,800 donors with a portion of the yearly proceeds designated for scholarships and grants. These funds supplement existing institutional scholarship programs and federal and state aid.

Other alternative funding sources should also be considered by aid offices. Institutional loan programs, both long and short term, are now offered to students and parents by many institutions at below prime interest rates. Dickinson College in North Dakota for example, has established a loan fund for parents of students who no longer qualify for federally guaranteed loans (*The Chronicle of Higher Education*, 24: March 10, 1982, p.3).

The parameters of existing institutional loan programs should be examined to see if they can be utilized by middle income students. Co-op programs where students work every other semester of their junior and senior years should be expanded to include not only traditional engineering students, but those in business, accounting, law, medicine, and architecture. Students participating in co-op programs not only earn funds for their college expenses but also acquire valuable on-the-job experience. Each institution should investigate, too, the possibility of deferred tuition plans. Students could be able to borrow from a tuition fund with repayment scheduled in increments during the year or the institution could bill the student for each semester, similar to a charge account billing method.

Another service the aid office could render would be to develop a scholarship identification system which would provide a current listing of all scholarships available through institutional and outside sources. This search service could be implemented by utilizing existing institutional computer services or by acquiring a small in-house computer terminal for student use. All institutional and outside scholarship information could be put on computer tapes and students would inquire about scholarships through the use of pre-determined access codes. The O. U. Financial Aid Office has implemented such a system which is now operational.

One final aspect of Financial Aid Office operation revealed by the survey which deserves mention is the importance of courteous, resourceful and informed receptionists. Usually the first contact made with an aid office is through the receptionist. If that first contact is unsatisfactory, the student may receive the impression that the aid office is unresponsive to student needs. However, if the receptionist is courteous and helpful, the entire office benefits because students will more likely approach any future contacts with the office with a positive attitude, making it easier for the staff

to be of assistance. Receptionists should receive extensive training in aid application and office procedures, know the programs which are available, and understand general university policies and procedures. With that information they can provide assistance to students with general questions and refer those students with problems to the professional financial aid staff. At O. U., the receptionist is able, through use of a computer terminal located at the reception desk, to determine immediately the status of a student's application. The receptionist can thus answer many inquiries without further delay, and determine exactly whom a student must contact regarding any problems. This capability is a highly desirable one and probably accounts in part for the extraordinarily favorable rating of the receptionist function in the office.

### Conclusion

In light of recent federal budget cuts, it is especially important for students to know what programs are available to them and how their eligibility for assistance is determined. It is clearly in the best interest of the aid office to maintain an informed student public, especially as to when budget cuts, peak processing periods and application deadlines occur. If students remain knowledgeable about the aid process, the aid administrator's job will be far easier and less time will be spent on explaining routine procedures and requirements. Aid offices must disseminate this information and attempt to insure that students fully understand the financial aid process.

If aid offices would be more informative about needs analysis procedures and budget preparation, students would better understand, and be more amenable to, the various procedures aid offices are required by law to perform when processing applications and attempting to meet student needs. Moreover, the aid office should come to be regarded as a clearinghouse for information relating to alternative funding sources. If students realize the aid office is trying to help them meet their financial need by suggesting and helping them to pursue alternative sources of funding, the role of the aid office as a student service would be more clearly defined. Most importantly, every effort should be made to encourage students to view the aid office as a student service, not a roadblock in a bureaucratic maze. With the present economic climate and the possibility of further cuts in basic aid programs, the need for accountability in the student service function of financial aid offices will, of necessity, increase. As a means of determining whether this function is being met, evaluation of the aid office, both through standard audits and through periodic student evaluations, must become a routine undertaking.

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**Table 1**  
**Satisfaction with Specific Aspects of the Financial Aid Office**

Variable Description	Mean*	% Agree or Strongly Agree
<b>PROCEDURAL ASPECTS</b>		
1. I can normally complete an application form without obtaining help from someone other than parents	1.85	80
2. Counselors seemed well informed and keep up-to-date on changing federal and state policies and procedures	2.17	72
3. The Financial Aids Office evaluations of my financial needs and awards were objective and non-discriminative	2.24	69
4. I feel my need for financial aid was figured and based on a realistic expense budget	2.52	54
5. The financial aids package I received is adequate to meet my basic financial needs	2.63	49
<b>INFORMATIONAL ASPECTS</b>		
1. Information in my award letters regarding academic requirements to hold the award, terms of loan, etc. was ample and easily understood	2.19	70
2. The Financial Aids Office provided me with adequate information about rights and responsibilities of recipients under aid programs	2.43	59
<b>ACCESSIBILITY OF STAFF</b>		
1. Assistance was available in answering questions related to filling out my financial aid forms	2.23	69
2. My application/records have been handled efficiently and are readily available when consulting a counselor	2.24	70
3. Generally, I have had few problems in getting an appointment with a Financial Aid counselor	2.30	65
4. Counselors adequately explained loan procedures including amount of interest and the amount length of repayment of loans	2.40	59
* Range of 1.85 to 3.10 with 1.85 being high		

Table 1 Continued  
 Satisfaction with Specific Aspects of the Financial Aid Office

Variable Description	Mean*	% Agree or Strongly Agree
INTERPERSONAL STAFF/STUDENT RELATIONSHIP		
1. The Financial Aids counselor made me feel at ease when discussing my application	2.00	78
2. The receptionists in the Financial Aids Office were courteous and helpful to me	2.00	78
3. The counselors in the Financial Aids Office were courteous and helpful to me	2.07	73
4. Counselors seemed fair in their evaluation of my financial need	2.29	63
* Range of 1.85 to 3.10 with 1.85 being high		