

Aid Gets To Neediest

MADISON, WIS (CPS)—Nearly 90 percent of all student financial aid goes to students who do need the money, says a new study which challenges the Reagan administration's claims that many students don't really need their aid money.

The study, undertaken well before President Reagan unveiled his proposal to slash student aid, contradicts Secretary of Education William Bennett's charge that too much aid money goes to students whose families don't need it, says University of Wisconsin Professor Jacob Stampen, who conducted the study.

In defending the proposed cuts at a recent press conference, Bennett said the cuts "might require (students') stereo divestiture, automobile divestiture and three-weeks-at-the-beach divestiture," but otherwise wouldn't hurt students.

Stampen dismisses Bennett's comments as "rhetoric targeted at the middle class."

The study shows very little aid money is wasted, Stampen says.

"If you run the administration recommendations through the study data base," he adds, "it shows how low-income aid recipients are hit by the cuts."

"We took an independent count of the recipients and can actually represent a more precise impact on the aid proposals," Stampen notes. "The government can't. They take aid estimates."

"Stampen did the study. Bennett talks off the cuff," says Scott Miller of the American Council on Education (ACE).

The study shows nearly 30 percent of all college students receive some type of federal, state,

institutional or private financial aid.

And only about 10 percent of financial aid awarded in 1983-84 came from such "non-need" programs as Veterans' Administration funds and merit scholarships.

About 22 percent of aid money students got come from Pell grant, Work-Study and Supplemental Educational Opportunity Grant (SEOG) programs.

Students who got the grants usually were the neediest students, the study notes.

To get most other government grants and loans, students had to pass stringent needs analyses, which keep the money from students who don't need it, Stampen says.

"Each time experts look at these programs, they see two things," Miller adds. "First, the money goes to the people who need it, and second, the programs work."

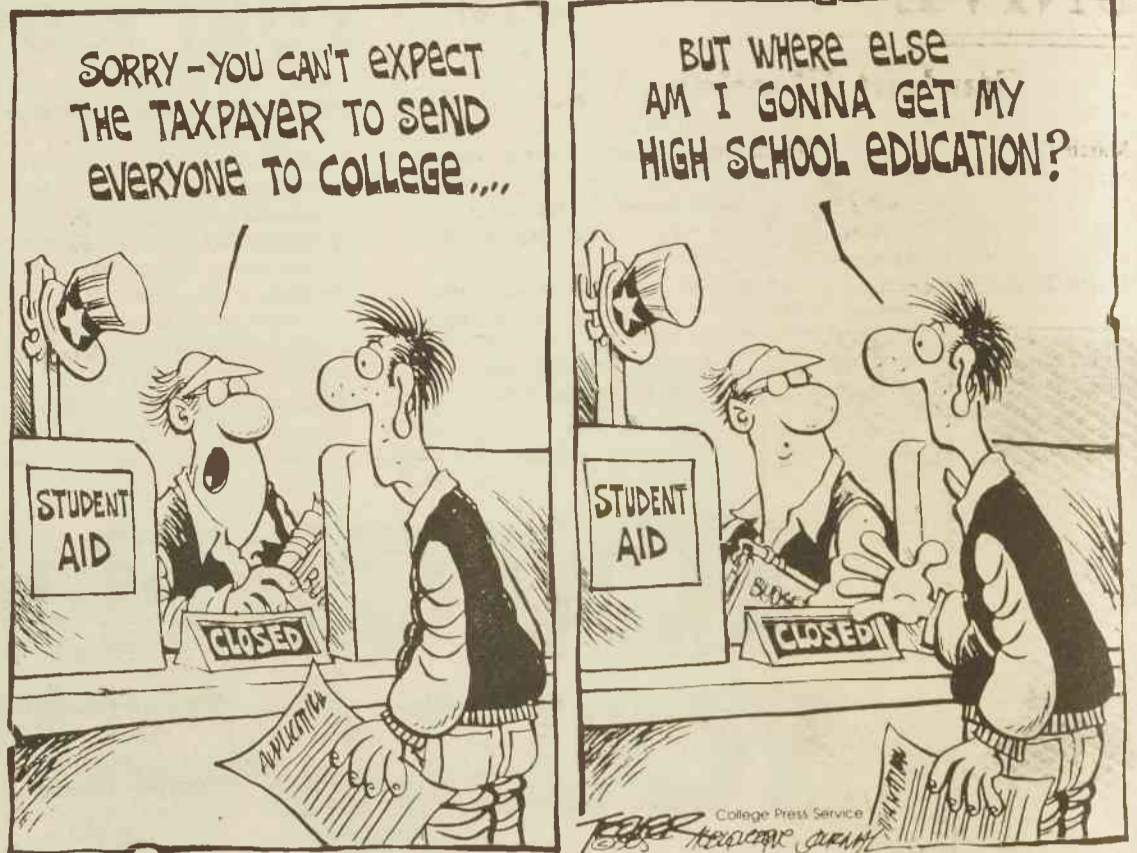
"Without student aid, lots of these people wouldn't be in school," he says.

But, echoing the repeated criticisms of campus aid directors around the country, Stampen warns the aid system is changing even without more cuts.

The reason is that aid money is being loaned instead of granted, leaving students deep in debt upon leaving campus.

Poorer students get most of the grants, he explains. As family income rises, more money is awarded as loans.

Yet, compared to the results of Stampen's 1981-82 financial aid study, the amount of money awarded on the basis of need this



year has plateaued.

"There's a drop in the number of Pell recipients from 81-82 to 83-84, and a drop in SEOG," he reports. "The Work-Study program is up, but Guaranteed Student Loans are down."

Consequently, Stampen predicts low-income students will be hardest hit if Congress approves the latest round of aid cuts.

"With a \$32,500 limit on family income, graduate students and students from families with more than one child in college will be affected," he asserts.

The \$4,000 per student a year aid cap "depends on income, but at a very low average family income, say \$25,000 or less, it would be devastating to cut a student back to less than \$4,000 per year," Stampen insists. "That's not the middle class."

Stampen says the Reagan administration has yet to react to his data.

"If we are going to subject these programs to the political process, we need to have reliable information for political advocacy

groups to use so programs can be evaluated on their true merits, not on the strength of emotional arguments from each side," he argues.

"People should deal with facts rather than myths," ACE's Miller agrees. "If the facts say there's a problem in student aid, even those of us in favor of the programs would work to correct it."

"A small amount of those receiving aid don't need it," he admits. "But that's no reason to kill the program. It's like throwing out the baby with the bath water."

Bad Information About Aid

WASHINGTON, D.C. (CPS)—Poor and minority high school students do not know about college financial aid, and many are not enrolling in college as a result, the authors of a recent study conclude.

In a broad indictment of colleges, and federal and state financial aid officials, authors of the National Student Aid Coalition (NSAC) report says the current system for disseminating financial aid information is woefully inadequate.

"There are all kind of pieces missing from a comprehensive information system," says NSAC spokesman Linda Berkshire.

The 37-page NSAC report, released Feb. 25th, says the disadvantaged students who need financial aid the most don't have access to information about aid programs because colleges do not recruit inner city students.

Even more damning, the report says available reference guides to aid frequently are outdated, inaccurate or difficult to understand.

The systems for telling students about the oft-changing rules and funding levels for many programs

can't keep up with all the changes, the report says.

The report adds nontraditional students, such as adults who want to continue their formal education, face similar obstacles because the government counts on high schools to tell students about aid.

"Although these nontraditional students are the largest growing component of postsecondary enrollments, they often do not realize their opportunities for financial aid, principally because they are not in high schools where the information is most available," the report warns.

The report faults the federal Department of Education for concentrating on telling students how not to get federal aid.

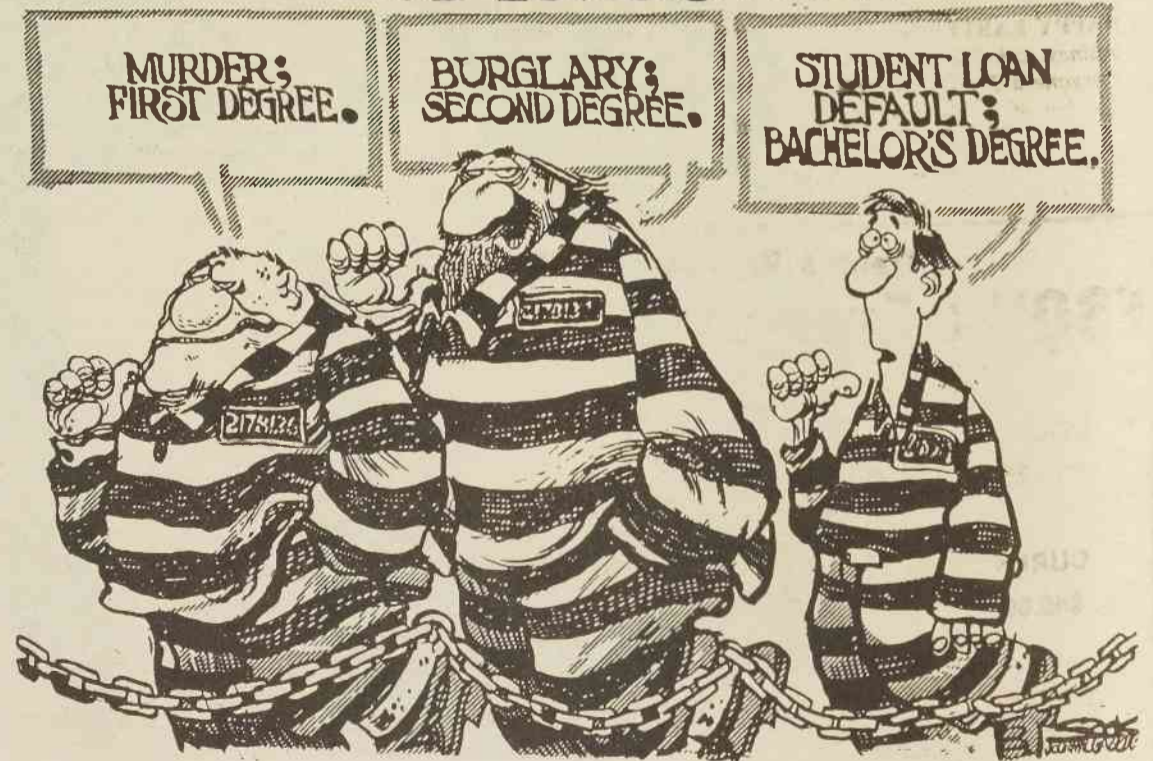
"They put out posters saying things like the best way not to get financial aid is not to register for the draft and not repay student loans," Berkshire says.

"The information they are putting out is all negative."

States spend less than one-half of one percent of the aid funds disseminating information on what's available, the report notes.

Leaders of NSAC's 37 member organizations say they need new ways of giving students the word.

CRIME CRACKDOWN:



Berkshire says that although the report does not identify potential ways to pay for such advertising, NSAC may help organize a fund drive.

A master calendar to coordinate the timing of financial aid programs, and a guide geared to high school juniors and sophomores also would help, the report's authors say.

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