Dependency:
The Evolution and Impact of a Foundational Concept in Financial Aid

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Introduction

The 1992 reauthorization of the Higher Education Act [HEA] was a pivotal event in the evolution of educational policy because it resulted in substantial changes in financial aid administration. One obscure but important change was Congress's modification of the criteria that determine which students are considered independent of parents in the process of apportioning financial aid. Currently, undergraduates are only considered independent of parents if they are 24 or older, abandoned/emancipated, married, have their own dependents, or are in the Armed Forces. Independent students are not expected to receive financial support from parents, and thus their parental income and assets are not taken into account when awarding need-based aid. Whether a student is considered independent of her parents or not has a major impact on how much she is expected to contribute towards college expenses, what her federal loan borrowing limits will be, and what documents she is expected to provide to financial aid officers. Given its centrality in the need analysis process, the federal dependency policy (i.e., Section 480(d) of the HEA) should be examined more closely by policy researchers.

In this scholarly paper, I use historical documents, research literature, and descriptive statistics to examine the origins, evolution, and impact of the federal government's dependency policy. I begin by discussing how the theoretical foundations of the current dependency policy reflect the practices and norms of elite private colleges. Next, I trace the evolution of the dependency criteria in need analysis formulas. I find that over time the conditions used to gauge independence have shifted to reflect policymakers' values and changing student demographics. To hypothesize about the consequences of this shift, I consult research on parental willingness to finance college, paying particular attention to differences across social class and family configuration. Finally, I conclude the paper with recommendations on how to improve data collection so that scholars can adequately measure the impact of the current dependency policy on college access and choice.

The Conceptual Foundations of Dependency

The conceptual foundations of dependency start with an acknowledgement that in industrialized societies "all youth face the challenge of a transformation from economic dependence to economic independence" (Smeeding & Phillips, 2002, p.104). Such societies offer three major sources of financial support to support teens' transitions from youthful dependency to independent, autonomous adulthood: market work, the state, and family (Smeeding & Phillips, 2002). Market work is provided through employment, and state support is provided through taxpayer-financed government subsidies for human capital development, as well as social transfers when market earnings are insufficient to assure a baseline standard of living. Family contributions can include both parental cash transfers and in-kind support (Smeeding & Phillips, 2002). When young adults attend college, their ability to financially support themselves with market earnings is curtailed and, due to their youth, they lack a cache of their own resources to draw from (Becker, 1994). Due to these constraints, the bulk of college student financial support in the United States has traditionally come from the state and from parents, with additional support provided by private benefactors (Thelin, 2004). Thus, young adults draw extensively upon the financial resources of older generations to pay for postsecondary education, making intergenerational transfers a major component of the college finance system.

Historically, both the public and private postsecondary sectors have relied upon intergenerational transfers to finance their operations, but the philosophies underlying their use have differed. The *state support model*—which underwrote the creation of public K-12 schools, land-grant institutions, and community colleges in the 19th and 20th centuries—emerged from the populist idea that education is a public responsibility that provides widespread civic and financial benefits to society (Alexander, 2002). This philosophy is enacted by transmitting resources collectively from one generation to another through the taxing of working adults to subsidize the education of younger cohorts. Also referred to as the "low-tuition, low-aid model" of college finance, institutions that subscribe to the state support model use public subsidies to charge all enrolled students a price that is much lower than the cost of providing postsecondary education, regardless of parental financial resources. Thus, in the state support model, the public sphere is held chiefly responsible for financing college attendance (Johnstone, 2004; McPherson & Schapiro, 2010).

The private sector of postsecondary education subscribes to a different notion about who is chiefly responsible for ensuring that students can pay the expenses associated with college. Based upon the supposition that individuals, not society, are the main beneficiaries of educational benefits, colleges that subscribe to the *private support model* exact a "user tax" only from the individuals who choose to attend (Johnstone, 1986). Some countries enact this philosophy by making students the primary party responsible for paying for college. For instance, Australia exacts a user tax from college graduates through the use of income-contingent loans (McPherson & Schapiro, 2010). In contrast, the American private support model views the family unit to be an ideal mechanism for transmitting resources to cash-strapped youth. Out of concerns for equity, proponents of the private support model often advocate a "high-tuition, high-aid" finance model by which colleges charge tuition and fees that approach the actual cost of providing education and offer selective discounts to students whose parents cannot afford to pay. Need analysis systems are implemented to gauge a student's access to family financial resources that can be used to pay for college. Table 1 summarizes the philosophies and features of the two major college finance systems, as practiced in the United States.

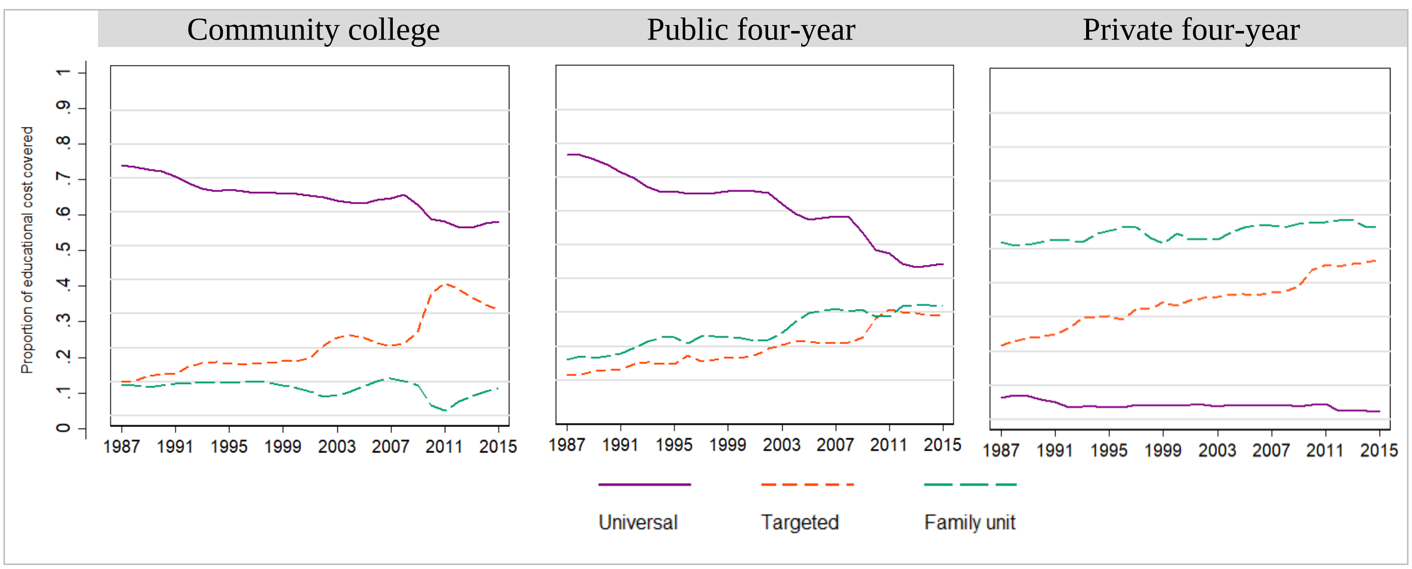
Table 1. Summary of postsecondary finance models

	Public Support Model	Private Support Model
Philosophical basis:	Populism; Education as social benefit	Market forces; Education as private benefit
Transfer mechanism:	Taxpayers	Parents
Subsidization system:	Universal (low tuition/low aid)	Targeted (high tuition/high aid)
Prototypical institutions:	Community colleges, land-grant colleges	Residential four-year colleges

The idea that parents are primarily responsible for paying for their adult children's college attendance is, to some degree, an American convention (Johnstone, 1986), which likely stems from the historical origins of the private sector of higher education. The original purpose of institutions such as Harvard that serve as the collegiate ideal from which many later colleges were modeled was to acculturate colonial youth to ministerial and leadership positions. This was accomplished by teaching the basics of Christian theology and classical texts to students as young as 14 in a residential, highly controlled campus setting meant to substitute for the family unit (Cohen & Kisker, 2010). Given the young age of some of the earliest students and a lack of a centralized government and religion in the early U.S., it is not surprising that the financing of private institutions occurred through a partnership between parents, benefactors, and local legislatures, with parents providing a sizable portion of student tuition and living expenses (Cohen & Kisker, 2010). Although private institutions have evolved from providers of *en loco parentis* to youth seeking a classical education into modern colleges serving high school graduates, the private support model of college finance and its assumption of parental responsibility have not substantially changed.

What *has* changed over the past several decades is the overall prevalence of the private and public support models in the American postsecondary system. Figure 1 shows trends over time in three methods of subsidizing higher education: universal subsidization (revenue from state and local appropriations), targeted subsidization (revenue from merit and need-based grant aid), and the family unit (revenue from net tuition and fee charges). The trend lines represent the proportion of total annual educational costs per FTE (i.e., what it costs colleges to educate each student) that are paid for by each of the subsidization methods. These trends are shown for community colleges, public four-year colleges, and private non-profit four-year colleges from 1987 to 2015. Figure 1 illustrates the differences between the public and private sectors in finance practices quite succinctly: across all years, universal subsidization covers the majority of educational costs at both community colleges and public four-year colleges, while the family unit covers the majority of educational costs at private colleges.

Figure 1. Subsidization practices over time, by institutional sector

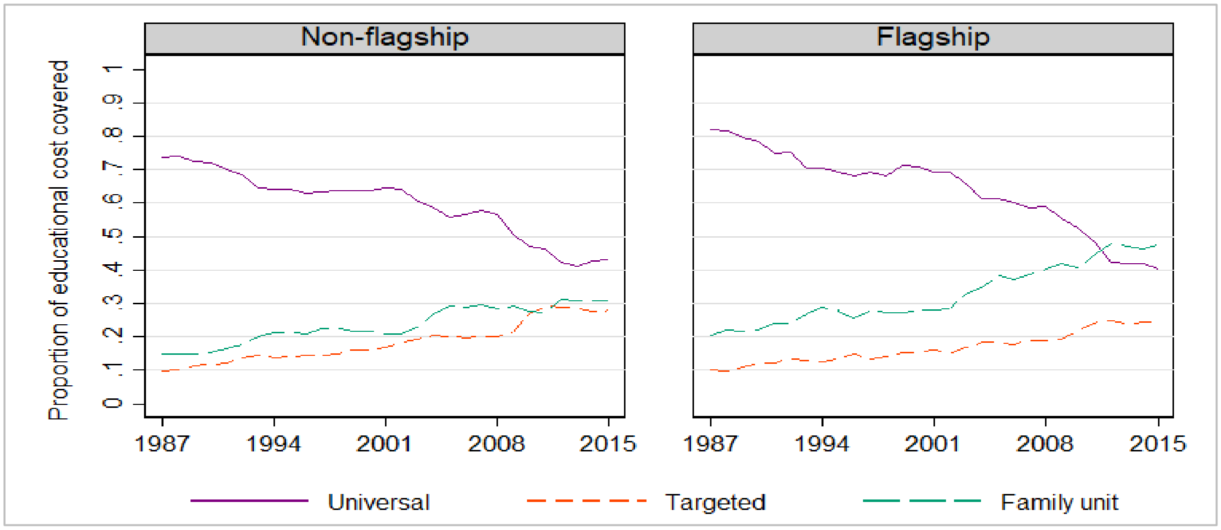


Notes. Universal subsidization = (state and local appropriations/total educational cost). Targeted subsidization = (all grant aid/total educational cost). Family unit subsidization = (net price/total educational cost). All proportions are calculated by the author from mean values per FTE student in constant 2018 dollars using Delta Cost Project IPEDS data, 1987-2015.

Figure 1 also supports what college finance researchers have been alleging for decades: postsecondary expenses that were once mostly borne by the public sector are being transferred to students and families (Barr & Turner, 2013; Johnstone, 2004). Looking at the graph for community colleges, universal subsidization (the solid line) covered approximately 74% of educational costs in 1987 but only 60% in 2015. At public four-year colleges, universal subsidization has declined more precipitously from covering 77% of the cost to educate a student in 1987 to only 44% in 2015. The trends for targeted subsidization (the dotted line) are quite different. From 1987 to 2015, targeted subsidization increased approximately 20 percentage points at all three types of institutions. In sum, the private support model of college finance is becoming more prominent.

The degree to which public colleges subscribe to the private support model (i.e., charging high tuition with targeted subsidization and intergenerational transfers made through the family unit) is related to how strongly institutions strive to emulate the elite institutions that spawned its practice. Figure 1 indicates that at community colleges, the share of educational costs borne by the family unit (the dashed line) has remained low and flat over the past several decades. However, at public four-year colleges, the share of educational costs covered by family has increased 16 percentage points as universal subsidization declined. Put simply, public four-year colleges are increasing tuition and fees, directing grant aid to needy and meritorious students, and expecting the family unit to pay for the remaining cost of education. As this process plays out, the public and private four-year college graphs in Figure 1 are looking more and more similar over time. Even among public four-year institutions, there is a relationship between prestige and how strongly institutions are adopting the private support model. Figure 2 presents the subsidization trend lines at public four-year colleges, disaggregated by flagship status. At public flagship universities, family support replaced taxpayer support as the major subsidizer of educational costs around 2010. This means the converging subsidization practices between public and private four-year colleges are more strongly driven by trends at prestigious institutions.

Figure 2. Subsidization practices at public four-year colleges over time, by flagship status



Notes. Universal subsidization=(state and local appropriations/total educational cost). Targeted subsidization=(all grant aid/total educational cost). Family unit subsidization=(net price/total educational cost). All proportions are calculated by the author from mean values per FTE student in constant 2018 dollars using Delta Cost Project IPEDS data, 1987-2015.

The trends depicted in Figures 1 and 2 are not occurring in a vacuum. Following recent recessions, colleges that once charged all enrolled students low tuition have seen precipitous declines in public funding. This, in turn, has necessitated across-the-board increases in tuition and fees (Barr & Turner, 2013). As tuition and fees have increased, so too has the demand for financial aid (Barr & Turner, 2013). Many four-year colleges now rely strongly on high tuition dollars from wealthy and out-of-state students to cross-subsidize needy peers (Barr & Turner, 2013; Burd, 2013; Gerald & Haycock, 2006). Subsidization based on wealth requires a system for assessing who is wealthy and who is not. In a country that values equal educational opportunity, the private support model may not have reached its current position of prominence in the American postsecondary system without the need analysis system that makes tuition cross-subsidization possible.

Need Analysis and the Evolution of Dependency Criteria

The modern need analysis system used to gauge a student's ability to pay for college was developed by John Monro, a veteran who returned from WWII to work for Harvard College as a recruiter of geographically diverse students (Capossela, 2012). He observed that scholarship aid meant to diversify the college was instead directed to meritorious students whose parents could afford to pay full tuition. Soon, Monro was made an assistant provost and set about changing the way Harvard distributed financial aid. He created a form for collecting information about parental income, assets, and expenses, and devised a progressive formula to assess how much parents should pay, given their resources, to educate their sons at Harvard. Students whose parents could not afford to pay their full cost of attendance were offered financial aid in the form of scholarships, campus jobs, and low-interest loans (Capossela, 2012). There was a precedent for such a policy, as Harvard had provided access to subsidized loans for students claiming poverty beginning as early as 1838 (Fuller, 2014). Monro's innovation was to make the distribution of financial aid systematic, objective, and solely based on family financial need.

In 1954, concerned about merit aid "bidding wars" that were breaking out among elite colleges over desirable students, the College Board helped institutions coordinate their aid offerings by forming the College Scholarship Service (CSS), with Monro as its chair (Wilkinson, 2005). Under the CSS, College Board members—most of whom were private, residential colleges— were urged to use a common formula for assessing need that drew heavily from Harvard's method (Capossela, 2012). To do so, the CSS developed a form called the *Parent's Financial Statement* that required applicants' parents to report detailed information about their income, assets, and family configuration. Within a few years, the CSS centralized the need analysis service, resulting in a dominant method of evaluating students' ability to pay among member institutions (Gladieux, 1983).

The 1972 Higher Education Act reauthorization resulted in a momentous policy shift that had substantial implications for college finance and need analysis. Following several decades of massification that led to growth in public colleges and the state support model, private colleges and market-model advocates convinced policymakers to shift federal financial support away from public college subsidies to a system of direct student aid that was available to both public and private college students (Alexander, 2002). The shift produced a proliferation of need analysis formulas, requiring students to complete as many as seven different aid forms in the process of applying to college (Linsley, 1997). Many private institutions continued to use the CSS formula. Public colleges, particularly those that served a large population of disadvantaged or non-traditional students, employed a need analysis formula developed by the ACT that emphasized simplicity and brevity (Boren, 1985). In 1974, the Department of Education borrowed heavily from the CSS and ACT while developing the Uniform Methodology (UM), which was used to distribute campus-based aid (NASFAA, 1993). In 1986, Congress developed its own need analysis system, the Congressional Methodology (Linsley, 1997). This confusing, decades long roll-out of several closely-related formulas for assessing need ceased in 1992 when Congress implemented the Federal Methodology to be the sole method of determining a student's need for all federal financial aid programs (Linsley, 1997).

Like the formulas that came before it, the Federal Methodology is used to provide financial aid professionals with an estimate of students' financial need based on a common standard (Baum, 1999). Students begin the financial aid application process by completing a Free Application for Federal Student Aid (FAFSA). The FAFSA collects the financial resource and family composition information needed to implement the Federal Methodology. In the Federal Methodology, *need* is defined as the difference between the cost of attending a given college and the resources a student and her family has available to meet this cost (referred to as the *expected family contribution,* or EFC), as illustrated here:

Need = cost of attendance — expected family contribution

The *cost of attendance* (COA) is calculated by adding up the student budget, comprised of annual tuition, fees, room and board, and other educational expenses. The purpose of awarding need-based aid is to bridge the gap between the COA at a given institution and the student's EFC. Because the COA is institution-specific, a student's financial need will vary depending on which college she attends.

The EFC, however, is not institution-specific and variable—it is family-specific and fixed. This means that the federal government expects the student to receive a specific amount of family financial support to attend college, regardless of which institution she chooses to attend. The EFC is calculated by estimating the discretionary income and assets that are available to the student—from her own resources and, if applicable, her parents' or spouse's resources—and dividing by the number of college students in her family (Baum, 1999). For dependent students, an expected *parental contribution* and an expected *student contribution* is calculated, and then the two are added to make the EFC. For independent students, the EFC is only comprised of the student (and spouse, if relevant) contribution. Because the EFC is a critical component of the need analysis formula that determines eligibility for many forms of financial aid, policymakers have taken great pains to specify who they consider to be part of the students' family.

The Evolution of Dependency

When Monro developed his need analysis system in the 1950s, he did so under the assumption that "a family is obliged to maintain a child, to provide food, shelter, clothing," as his parents had done for him when he was an undergraduate (Monro, 1994, p. 12). As a result, all Harvard students were considered to be *dependent* for the purpose of awarding financial aid, meaning their parental income and assets were used as the major determination of their ability to pay. As the practice of means testing spread beyond the gates of Harvard and other elite residential CSS colleges, the idea emerged that some college students could not be expected to receive financial support from their parents. For these students, parental income and asset information were not considered in the need analysis system because they were deemed financially *independent*.

The criteria for being considered independent has changed over the years and across need analysis formulas in response to the demographics of diverse institutions. In a 1978 report to the National Institute of Education, Bowman and VanDusen express a growing awareness in the financial aid profession that non-traditional college students' financial situations do not fit the assumptions inherent in the CSS need analysis formula:

> Traditional need analysis techniques focus on dependent undergraduate students who have been supported by their parents through twelve years of elementary and secondary education. For these students it has been assumed that parental responsibility for support can and will continue through at least the first four years of postsecondary education (although that assumption is increasingly being called into question)… In the late 1960s and early 1970s a new clientele began appearing in the financial aid offices -- the self-supporting student. An increasing proportion of students was not receiving any support from their families regardless of what the need analysis systems said they should get. New rationales for need analysis were developed and attempted (p. 2).

These new rationales required that policymakers specify the conditions that indicate when students are independent from their parents, or "self-supporting." The criteria used to gauge independence in need analysis formulas fall into one of two categories: *fiscal independence* and *normative independence*.[1] In early need analysis formulas, actual fiscal dependence on parents was the main criterion for determining whose parents should help pay for college. For instance, the Uniform Methodology, which was developed in 1975, classified students as independent if

[1] My inspiration for categorizing independency criteria comes from Smith, Baum, and McPherson (2008). They use the terms *actual financial criteria* and *exception-based financial criteria.*

they received less than $2000 of support from family in a given year (Barnes, 1977). The underlying assumption was that true independence from parents only occurred at the time that students earned enough market-based wages to be self-supporting.

In contrast, normative criteria use socially-constructed markers of adulthood such as age, marriage, parenthood, or completion of a bachelor's degree as indicators that the student is no longer a member of the parents' household. Normative criteria were introduced during the 1986 reauthorization of the HEA when the Congressional Methodology (CM) was developed for the distribution of federal aid. Under the CM, students were considered independent if they met one of several criteria, such as being at least 24 years old; a ward of the court; or not being claimed as a dependent on parents' income tax for *two* calendar years preceding the award year. Individuals who qualified for independency under this criterion also had to demonstrate "total self-sufficiency" by earning several thousand dollars each year (OSFA, 1988). Thus, the CM combined normative criteria of independence (e.g., age) with fiscal independence criteria that had to be demonstrated through both the parents' income tax exemptions and the ability of the student to earn sufficient market wages to maintain her own household.

In the early 1990s, as the criteria used to determine who was and was not independent became more complex and debates about the direction of the 1992 HEA began to pick up steam, some began to suggest that the assumption of parental responsibility for paying for college should no longer serve as the "bedrock assumption" on which financial aid policy is based:

> Parental contributions are irrelevant for more and more students at the undergraduate level because of the growing number of older, independent students; the break-up of families; and parental inability or unwillingness to finance their children's education. Should we go the way of Scandinavia and simply acknowledge that at some point-perhaps at age 18, 19, or 20--parental responsibility should end, and financial responsibility should instead be met by some combination of taxpayer contributions and student borrowing? (Johnstone, Evans, & Jerue, 1990, p. 31).

However, contrary to this suggestion, the assumption of parental responsibility was strengthened in subsequent years due to concerns about fraud being perpetuated by savvy wealthy parents who tried to "game" the financial aid system (Burd, 1997). During the 1992 HEA reauthorization, the independency criteria were modified when the Federal Methodology (FM)—the current need analysis formula—was introduced. The FM stipulates that all undergraduate students under the age of 24 are automatically regarded as dependent on their parents when calculating eligibility for federal aid, unless they have their own dependents, are married, are a veteran or active duty member of the Armed Forces, or meet one of several criteria related to homelessness or being a ward of the court. As a result of this policy change, all of the current dependency criteria are normative criteria. This means that in the current need analysis system that determines students' ability to pay for college, actual fiscal independence from parents is no longer a valid criterion for being considered independent from parents. Rather, in keeping with the precedent set at Harvard following WWII, policymakers assign independence only to those students who belong to a group that they believe *should* be financially independent from their parents. Table 2 compares fiscal and normative conceptions of independence as they are employed in need analysis systems.

Table 2. Typology of independence criteria

	Fiscal Independence	**Normative Independence**
Adulthood begins when…	…individuals are financially self-supporting	…individuals undergo events that policymakers and administrators associate with maturity
Indicators of adulthood:	Sufficient wages or assets Not claimed as dependent on taxes	Age 24 or older Married or parent BA completion Participation in Armed Forces
When criteria were used:	Congressional Methodology (1986-1991) Uniform Methodology (1975-1985)	Federal Methodology (1992- present) Congressional Methodology (1986-1991) Institutional Methodology (1953-present)

The federal government has taken a strong position that most traditional aged undergraduates should be financially dependent on parents. To understand the potential implication of this stance for self-supporting students, I next consider the extent to which parents' views about who is responsible for paying for college are aligned with the current need analysis system.

The Implications of Federal Dependency Policy

In early 1992, as Congress debated potential policy changes in federal financial aid, the Congressional Budget Office (CBO) was asked to compare and contrast the HEA reauthorization bills put forth by the Senate and House: Which students would "win" under the proposed policy changes, and which would "lose"? What were each of the bill's budgetary implications? The CBO wrote that the draft bills differed in substantive ways—such as how much to expand the Pell Grant Program—but were united on changing the dependency criteria to make it more difficult for undergraduates to be viewed as self-supporting. The CBO estimated that tightening the dependency criteria would result in as many as 290,000 formerly independent students being newly classified as dependent, leading to fiscal savings of up to 1.5 billion (in 2018 dollars) in the first year of the policy change alone due to reduced student eligibility for need-based aid (CBO, 1992). As to whether most of these 290,000 students would be negatively impacted by their reduction in financial aid, the CBO hypothesized that the effect "*might* be small because their parents *presumably* have the resources to help finance their educations" (1992, p. 31, emphasis added). When the Federal Methodology was implemented several months after the release of the CBO's report, the dependency criteria were re-written to be completely normative.

Despite the CBO's optimistic outlook, however, parents have no legal obligation to support their children once they reach the age of majority. This makes parents' financial support of young adults conditional on their willingness to pay. Therefore it is concerning that when Sallie Mae (2014) polled Americans about their views as to whether children or parents should be responsible for paying for college, almost 40% stated that paying for college should be all or mostly the responsibility of children, and only 29% stated that parents should play the primary financing role. Even data collected by the federal government contradicts the normative assumptions embedded in the Federal Methodology to some degree. Table 3 shows the percent of postsecondary students who receive financial support from parents, disaggregated by their federal dependency status. One in four postsecondary students who are classified as dependent using the normative criteria of the Federal Methodology are actually self-supporting. For these students, the need analysis formula takes resources they lack access to (parental income and assets) into account, thereby understating their need for financial aid. Conversely, approximately one in five students who are classified as independent actually do receive support from parents, meaning the need analysis formula overstates their financial need.

Table 3. Dependency status and receipt of parental financial support

Dependency Status	Received Parental Support? No	Received Parental Support? Yes
Dependent	25%	75%
Independent	81%	19%

Notes. Data source is National Postsecondary Student Aid Study [NPSAS:12]. The effective sample includes undergraduate and graduate students.

Most likely some of the variation in the likelihood of receiving parental support in Table 3 stems from systematic differences in parents' willingness to pay for college across social classes and family configurations. Studies indicate that after controlling for income, assets, and budget constraints, parents who have graduate degrees, are married, and have a close emotional connection to their children are more likely to provide financial support after high school than parents without bachelor's degrees, who are separated, and who provide low emotional support (Flaster, 2017; Henretta et al., 2012; Turley & Desmond, 2011). Qualitative studies confirm that due to cultural norms of self-sufficiency, low-SES and working-class students are much more likely than middle- and high-SES students to be responsible for securing their own college financing through forms of self-help (Calderone, 2015; Cilesez & Drotos, 2016; Ziskin, Fischer, Torres, Pellicciotti, & Player-Sanders, 2014). Low-SES children also play an important role in financially supporting their own families (Cilesez & Drotos, 2016; Goldrick-Rab, 2016; Swartz, 2008).

Research on currently enrolled college students, such as the studies cited above, likely understate socio-demographic disparities in parents' willingness to fund higher education. Research conducted on currently enrolled college students excludes young adults who forgo college due to financial concerns, meaning that any inferences we make about parents' willingness to pay for college from enrolled students are likely upwardly biased. Several decades ago, researchers used data on adolescents' parents' attribution of responsibility for financing college that was collected in the Department of Education's High School and Beyond Study (HSB:1980) and the National Educational Longitudinal Study (NELS:1992) to infer such willingness (Steelman & Powell, 1991; Steelman & Powell, 1993). Parents who indicated that paying for college was their responsibility (as opposed to the child's or the government's) were more likely to have saved money for their children's education, which suggests that attitudinal measures can be effective predictors of future parental financing behavior. However, the Department of Education has not collected attitudinal data on willingness to pay for college since the 1992 HEA reauthorization. Changing to an exclusively normative definition of independence appears to have resulted in a lack of political will to collect data that disconfirms the assumptions undergirding one of the most pivotal components of the federal formula for awarding financial aid. Absent information about parents' willingness to pay for college, it would be helpful to examine how much support adolescents expect to receive from parents once they reach young adulthood. Unfortunately, despite the important role that expectations play in individuals' decisions to invest in human capital, surveys of adolescents such as the National Longitudinal Survey of Youth (NLSY) or the High School Longitudinal Study (HSLS) fail to ask high school students' about their subjective expectations of future financial support from parents.

Research and Data Recommendations

If scholars and policymakers want to have a robust understanding of how parental financial support impacts children's postsecondary attainment—from accessing college to completing graduate school—then much more work on parental funding needs to be conducted. Collecting new data will be critical to this effort. First, surveys produced by federal agencies such as the Bureau of Labor Statistics and the Department of Education need to explicitly inquire about the amount and types of financial support that children expect to get from families. Researchers have measured financial expectations in previous studies by asking students to prognosticate about their future earnings or provide estimates of specific college costs (Bothelo & Pinto, 2004; Dominitz & Manski, 1996; Kane, 2001). Similarly, future longitudinal surveys could elicit children's predictions by asking the dollar amount of cash transfers that their parents would provide during various years if they were to attend college (Morgan, 2005). A less cognitively taxing approach than asking children to predict specific amounts of support could be to ask children what types of expenses parents would be likely to assist with (e.g., tuition, fees, room and board) and what percentage of these expenses they are likely to cover. Researchers could then calculate the dollar amount of children's subjective expectations using data on average college costs from IPEDS. In order to understand how expectations form and change in response to life events, it is important that expectations be measured repeatedly. At the very minimum, expectations should be measured prior to the stage in which children finalize their college-going and choice decisions.

A holistic research agenda on parental support also necessitates collecting data on children's subjective expectations of the amount of financial support they plan to give to families. Doing so requires that scholars reject the dominant norm of young adults' financial dependence on parents that has driven federal financial aid policy and national surveys that only ask questions about the money and other resources that flow from parents to adult children. Qualitative research suggests that, for low-SES children in particular, it is more accurate to assume that children have expectations of both giving and receiving intra-familial support as they transition out of childhood (Cilesez & Drotos, 2016). It is likely that both types of expectations influence children's postsecondary plans.

Research should also examine how receiving parental funding (or not) impacts long-term outcomes. For instance, scholars do not know if undergraduate students' expectations of parental support are related to their likelihood of attending graduate or professional school. Certain careers, such as being a physician, lawyer, or academic, entail substantial direct and/or indirect costs for a sustained period of time. Theoretically, financial dependence on parents would reduce these costs and make enrollment in lucrative careers such as being a physician more likely, thereby contributing to intergenerational inequality. In order to answer the aforementioned questions, students' expectations of parental support should be collected annually in surveys after they enroll in college. It is important to collect this data annually because family financial situations can change due to job loss, marital dissolution, changing parental norms, and other factors. Knowing college students' expectations of support for the following year could enhance our understanding of a range of student behaviors, such as persistence, applying for financial aid, choosing majors, and work and borrowing.

Policy Recommendations

Action can be taken at the federal, state, and institutional level to make financial aid policy more effective for undergraduate students whose parents do not provide support. First and foremost, federal need-based aid would be better targeted to low-SES students if the criteria for independence were changed in the Federal Methodology to incorporate at least one fiscal criterion, as the Congressional Methodology did during the 1980s. As Table 2 notes, the underlying assumption of fiscal criteria is that true independence occurs when students earn enough market-based wages to be self-supporting. This assumption actually reflects findings from survey research that most Americans believe children attain full adulthood when they have the ability to support themselves, rather than when they undergo specific life events (Furstenberg et al., 2003). Thus, changing the criteria for independence in the Federal Methodology from a purely normative orientation to a partially fiscal orientation would both better align with public opinion and reduce roadblocks to need-based aid that disproportionately affect low-SES students.

Absent the political will to change the dependency criteria at the federal level, there are other actions policymakers and administrators can take to make college finance more equitable and effective. One is to provide college savings and investment accounts directly to low-income children, such as through Child Development Accounts (CDAs) or 529 plans, with starter deposits and matching funds (Goldberg, Friedman, & Boshara, 2010). Since children's likelihood of enrolling in college is greater when they have savings in their own name (Elliott, 2009; Elliott & Beverly, 2011), helping children acquire their own funding would likely have a disproportionately positive impact on college access for children from disadvantaged backgrounds.

In a similar vein, policymakers can also ameliorate the effects of parental financial support disparities by adopting a universal subsidization (i.e., low tuition/low aid) model of post-secondary finance at the state level. The universal subsidization model holds that taxpayers, not parents, should subsidize college attendance, and this support should be distributed to all students at public institutions by universally lowering the price of tuition below the cost of instruction (Alexander, 2002). Thus, this model requires no assumptions about the financial arrangements among individual students and their families. Doing so, however, would buck the national trend towards greater adoption of the private (high tuition/high aid) finance model, which employs need analysis to distribute aid and thus makes assumptions about when adulthood begins that are erroneous for self-supporting traditional undergraduates.

Finally, institutional practices can also be modified to improve college access for traditional undergraduates who receive no parental support, such as students who lack solidarity with parents. Section 479A of the Higher Education Act stipulates that financial aid administrators can revise data elements that comprise the Estimated Family Contribution or Cost of Attendance if a student's circumstances warrant "special attention" (NASFAA, 2012). Specifically, institutional financial aid staff may issue a "dependency override" for students who do not meet the federal criteria for independence but who are incapable of receiving support from parents. The regulations stipulate that simple parental unwillingness to pay for college or refusal to complete the FAFSA are not valid grounds for an override (Department of Education, 2012). However, parental alienation that results from abuse or abandonment and produces an unwillingness to pay is (NASFAA, 2012). There is little research on dependency overrides, but one study suggests that only 0.5% of first-year undergraduates receive them (Flaster, 2012). Financial aid administrators could increase awareness of dependency overrides by providing information and outreach to children who have an increased likelihood of being estranged from parents. Possibilities include children who reside with grandparents or other extended family members and children who are members of gender identity or sexual orientation minority groups, who have an increased likelihood of being ostracized by parents (Ochoa, 2011).

Conclusion

The increasing prevalence of the high tuition/high aid finance model makes understanding who is disadvantaged by the current need analysis formula more and more urgent. This paper explored the philosophical and historical origins of one of the most obscure but critically important components of the need analysis formula: the criteria for being declared independent from parents. In doing so, it interrogated the “bedrock assumption” of parental responsibility for paying for college in the United States. Finding that the assumption has its roots in the practices of elite colleges such as Harvard, it calls into question how well a policy modeled on the norms of high-SES families and administrators at residential colleges can meet the needs of today’s diverse population of undergraduate students following massification. Policymakers and educational administrators implicitly rely on parents being motivated—either through a sense of altruism or some other force—to help their adult children finance higher education. However, little information is available about whether and how these motivations manifest in actual offers of financial support to children engaged in the college choice process or persisting through higher education. The lack of data on parents’ willingness to pay for college is problematic because, without a richer understanding of the financial dynamics within families that generate children’s financial expectations for college, we cannot fully understand the causes of economic inequality.

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