



## HOW IS MY EXPECTED FAMILY CONTRIBUTION CALCULATED?

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There are two financial aid applications that can be filed to determine your Expected Family Contribution (EFC): the Free Application for Federal Student Aid (FAFSA) and the CSS/Financial Aid PROFILE. The FAFSA is the most widely used, whereas the CSS PROFILE is required at approximately [400 colleges/universities](#).

Before we get into the nitty-gritty details of how these **two** different forms calculate your EFC, it's important to note that if your college requires the CSS/Financial Aid PROFILE, you still need to complete the FAFSA (i.e., you need to fill out BOTH forms).

**BOTH FORMS ARE AVAILABLE EVERY YEAR STARTING ON OCTOBER 1**

1.

### How the FAFSA determines EFC

The FAFSA utilizes a financial aid formula known as Federal Methodology (FM). Most colleges in the United States use the FAFSA to determine EFC.

2.

### How the CSS/Financial Aid Profile determines EFC

About [400](#) colleges and programs in the U.S. utilize the CSS/Financial Aid PROFILE, developed by the College Board, to calculate the EFC. The financial aid formula they use is known as Institutional Methodology (IM).

Many experts would argue that the CSS PROFILE is the best measure of a family's financial strength regardless of income, whereas the FAFSA does a better job of helping low-income families apply for both federal and state aid. Another benefit the CSS PROFILE offers is the opportunity to take into account wider fluctuations in a family's income year-over-year.

Ultimately, it is up to the school to determine which methodology it uses to calculate your financial aid eligibility.



### FUN FACT

**"More than \$120 billion in grants, work-study and loans are provided each year."**

Source: <https://studentaid.ed.gov/sa/fafsa>

We have summarized the most common differences between the two forms in the following tables:

<b>Common Differences Between the FAFSA and CSS/Financial Aid PROFILE</b>		
<b>Financial Aid Formula Components</b>	<b>FAFSA (Federal Methodology)</b>	<b>CSS/Financial Aid PROFILE (Institutional Methodology)</b>
<b>Net Worth of Family Home</b>	Ignored	Capped, usually at 2-3 times income
<b>Simplified Needs Test</b>	Yes	No
<b>Net Worth of Small Family Businesses</b>	Ignored	Counted
<b>Paper Losses (depreciation, capital losses, business/farm losses, net operating loss carry-forwards)</b>	Counted	Ignored
<b>Non-Custodial Parent Income/ Assets</b>	Ignored	Counted
<b>Number of Children in College (detailed in following table)</b>	Equal split of parent contribution	Smaller reduction in parent contribution
<b>Assets owned by a Sibling</b>	Ignored	Counted, if sibling is under age 19 and not yet in college
<b>Allowance for College Savings</b>	Ignored	Subtracted from Assets
<b>Allowance for Emergency Reserve</b>	None	Subtracted from Assets

<b># of Children in College</b>	<b>Federal Methodology</b>	<b>Institutional Methodology</b>
1	100%	100%
2	50%	60%
3	33%	45%
4	25%	35%