

Exploring the Concept of Expected Family Contribution

The Expected Family Contribution (EFC) is an assessment of a family's financial strength (based on financial data taken at a snapshot in time) to absorb over time the cost of a student's education for a certain period. *Please understand that while the EFC determines a student's eligibility for certain types of financial aid, it is not necessarily the amount a family will be required to pay for college.*

The EFC is calculated using a standardized formula based on financial information reported on a financial aid application(s).

Tulane uses two standardized formulas to calculate an EFC for a student applicant:

- **Federal Methodology:** A standardized formula set by Congress using the financial information reported on the Free Application for Federal Student Aid (FAFSA) application to determine an EFC that is used in evaluating a student's eligibility for all federal student aid resources, including federal parent loans.
- **Institutional Methodology:** A standardized formula established for use at colleges and universities seeking to determine a student's eligibility for often limited institutional need-based funding. The EFC calculation uses the financial information reported on the CSS Profile application. At Tulane, only Newcomb-Tulane College school undergraduates (excluding School of Professional Advancement undergraduates) are encouraged to complete a CSS Profile for consideration of Tulane need-based scholarship.

Each methodology examines similar data such as income, assets, benefits, family size, and the number of family members in college. However, slight differences in the two methodologies can often result in the respective EFC's being different amounts.

Students will be required to complete an aid application(s) every year that the student is in college and requesting financial assistance. Generally, if a student's (and his/her family's) financial situation remains constant over the course of their enrollment, then generally the level of assistance for which a student qualifies also remains fairly constant. However, it is possible that one's EFC can change from year to year, as the EFC might decrease or increase. Perhaps a reduction in savings (since funds were spent to cover college costs for the student's freshman year) might, in turn, reduce the EFC for the sophomore year. Often, any such significant changes in income or assets may impact the EFC calculation from year to year.

Another VERY important factor is the number of family members in college. Generally, when this number increases, the EFC calculation is reduced for a student applicant; similarly, when fewer family members are in college, the result is often an increase in the calculated EFC for a student applicant and reduced financial need.

For federal student aid purposes, a student must meet one or more of several qualifying requirements to be considered in independent status. The EFC calculation for an independent student doesn't take into account parental financial information like the EFC calculation for a dependent student. Because of that, a student's dependency status must be determined before the EFC is calculated. Please note that

tax return dependency status is NOT the basis for determination of independent status for federal financial aid purposes, but rather, the requirements include, but are not limited to:

- Being born before a certain date (resulting in a student's being 24 years or older)
- Being married or separated but not divorced
- Pursuing a graduate-level credential
- Serving on active duty in or being a veteran of the U.S. Armed Forces
- Having emancipated minor status

The federal methodology calculates EFC's for independent students based on their own assets and financial information, including spouses' information if applicable.

*v. 3/1/19
Tulane Financial Aid Office
Information subject to correction*