

Institutional Methodology

Institutional Methodology (IM) is a measure of family financial strength, developed and maintained by the College Board in partnership with financial aid leaders. IM allows institutions to build a picture of a family's financial resources to enable equitable awarding of limited amounts of institutional gift aid among all student applicants. IM is complex, with many components considered when assessing need.

KEY STRENGTHS OF IM

Flexibility IM addresses special circumstances of schools and programs, students, and their families. Calculation options, including alternate treatment of the home value, use of a cost-of-living adjustment factor, institution-selected allowance values, and more allow for the specifics of school and program student populations and the unique needs of individual students.

Deep, detailed information IM presents a more complete picture on specific asset breakdowns, income sources, and family information, IM draws with clearer and more precise lines the difference between those who are truly in need of financial aid and those who are not.

Up-to-date data in a changing landscape IM evolves over time and is reviewed constantly by financial aid professionals to address the changing needs of institutions and families. IM allowances for schools' and programs' family expenses and asset reserves are based on annually updated Consumer Expenditure data to reflect actual family spending patterns. The income assessment rates are also updated annually.

KEY PRINCIPLES OF NEED ANALYSIS ARE MAINTAINED WITHIN IM

Determining the extent that a family — both parents and students — can afford to contribute toward higher education costs is a key principle of need analysis. Income and assets are used in IM to determine a comprehensive measure of a family's financial strength. IM can account for various family structures, with parent and student data reviewed within that context to ensure a complete picture is presented.

HOW IM DIFFERS FROM FM

IM differs from Federal Methodology (FM) in several significant ways.

FEDERAL METHODOLOGY IS BASED ON THE FOLLOWING INFORMATION AND DATA:

Adjusted gross income

Nontaxable income

U.S. taxes paid

Number in household

Number of family members enrolled in college at least half-time

Cash and savings

Investment and other real estate net worth

Non-family business net worth (only if more than 100 full-time equivalent employees)

Investment farm net worth

Child support paid

INSTITUTIONAL METHODOLOGY IS BASED ON THE FOLLOWING INFORMATION AND DATA:

Wages

Interest and dividend income

Business income (losses)

Rental income (losses)

Nontaxable income (details)
U.S. taxes paid, tax credits, itemized deductions
Number in household (details about family composition)
Number of family members enrolled in college at least half-time, including year in school and where enrolled
Child support paid
Medical expenses
Private elementary/secondary school tuition for siblings
Cash and savings
Investment equity
Home value and debt
Business value and debt
Real estate value and debt
Farm value and debt
Noncustodial parent information
Parent assets held in siblings' names

Over 350 institutions and scholarship programs use IM in conjunction with the CSS/Financial Aid PROFILE[®] to target their need-based funds equitably to students who need it the most.

Tulane uses Institutional Methodology (IM) to calculate the EFC used in determining an undergraduate student's possible eligibility for institutional need-based scholarship funding.

*v. 03/01/19
Tulane Financial Aid Office
Information subject to correction*