



## **Income and Expected Family Contribution How Do They Relate Dec 2016**

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Expected family contributions, or EFC is a measure of one's ability to pay for college. Based on information that prospective college students provide on the Free Application for Federal Student Aid (FAFSA), the EFC is used in calculating students' eligibility for federal need-based financial aid as well as, often, state- and institutionally-funded aid. The higher a student's EFC, the more the student or student's family may be expected to contribute to the costs of college.

In order to calculate an EFC, the FAFSA collects information related to a broad range of individual circumstances, such as whether a student is dependent or independent, whether the student has dependents of his or her own, how many members of the family are attending college, and other considerations. By design, student or family income alone cannot be used to estimate EFC. Rather, the purpose of the EFC is to provide a measure of ability to pay for college based on a more comprehensive range of factors. (For more information about the EFC formula, see the 2015-16 EFC Formula at:

<https://ifap.ed.gov/efcformulaaide/attachments/090214EFCFormulaGuide1516.pdf>

While the EFC takes into consideration numerous factors in addition to income, the table on the following page provides background on the relationship between income and EFC. It shows the average EFC for various value ranges of Adjusted Gross Income (AGI), as reported by financial aid applicants on their U.S. federal individual income tax returns. The table is based on an analysis of FAFSAs filed by Iowa residents between January 2015 and June 2016. This table cannot be used to estimate any individual family's EFC. Rather, it is intended to provide only a broad sense of the relationship between family income and expected family contribution (EFC).

**Average Expected Family Contributions (EFC) by Adjusted Gross Income (AGI) for**

**Financial Aid Applications in Iowa in 2015-2016**

<b>AGI Range (\$)</b>	<b>Dependent Students Average EFC (\$)</b>	<b>Independent Students Average EFC (\$)</b>
Less than 0	10,100	985
Equal to 0	90	107
1 - 5,000	416	98
5,001 - 10,000	466	95
10,001 - 15,000	401	435
15,001 - 20,000	529	1,297
20,001 - 25,000	850	2,262
25,001 - 30,000	1,288	3,078
30,001 - 35,000	2,092	3,521
35,001 - 40,000	3,397	4,428
40,001 - 45,000	4,147	5,188
45,001 - 50,000	4,569	5,308
50,001 - 55,000	5,697	5,858
55,001 - 60,000	6,776	6,667
60,001 - 65,000	7,996	6,964
65,001 - 70,000	8,963	7,623
70,001 - 75,000	10,440	8,745
75,001 - 80,000	11,659	9,543
80,001 - 85,000	13,250	10,437
85,001 - 90,000	14,759	11,736
90,001 - 95,000	16,553	14,341
95,001 - 100,000	18,609	14,956
100,001 - 105,000	21,142	16,065
105,001 - 110,000	21,367	16,888
110,001 - 115,000	22,668	19,889
115,001 - 120,000	24,540	21,755
120,001 - 125,000	25,004	21,969
125,001 - 130,000	28,483	21,581
130,001 - 135,000	30,887	27,244
135,001 - 140,000	31,033	27,608
140,001 - 145,000	32,665	25,871
145,001 - 150,000	34,133	28,837
150,001 - 155,000	35,716	34,308
155,001 - 160,000	38,909	31,746
160,001 - 165,000	37,932	35,576
165,001 - 170,000	42,077	32,259
170,001 - 175,000	44,207	38,235
175,001 - 180,000	45,171	33,904
180,001 - 185,000	47,787	43,255
185,001 - 190,000	48,277	44,708
190,001 - 195,000	54,613	47,381
195,001 - 200,000	56,018	47,464
Greater than 200,000	100,354	131,531

Note: The highest AGI (Adjusted Gross Income) is set at "\$999,999"