

# EFC: What Is It?

EFC stands for Expected Family Contribution. This is the calculation performed by the FAFSA (Free Application for Federal Student Aid) using the data you provide. This represents the amount your family (parent and student) should be able to contribute towards college expenses. This is not a direct result of what money is sitting in your bank account waiting to be used. Instead, it reflects the ability through cash and borrowing that a family can contribute for the nine-month academic year.

## What goes into the calculation?

Income and assets are the major contributors. The student's contribution from income would be twenty percent of income greater than \$3,750. The student's contribution from assets would be fifty percent of what is currently in checking and savings. So, if a student has a savings account of \$5,000 the calculation would add \$2,500 to the EFC. The parents' contribution would be twelve percent of incomes after all allowances have been calculated. Allowances include social security, general family size and number in college, state percentages, and age of oldest parent.

### Money-Saving Tips

- Complete your FAFSA after you have paid your monthly bills
- Research prepayment options at the college to reduce cash on hand. Cash prepaid to a college is not counted on your FAFSA. For Northland, you can prepay a full year in advance. You can prepay some or all of the term. Paying for a full year before the start of classes will result in a tuition discount. Please contact the Business Office for a specific dollar value.
- If you have specific purchases you plan to make before college, do those before completing the FAFSA to decrease available cash.

## What if I do not complete a FAFSA? How do I get an EFC?

The basic answer is you would not have an EFC. The Financial Aid Office would request further information from you to calculate, to the best of our ability, your financial strength or ability to contribute. Without a FAFSA, you are excluded from all federal sources of aid.

In calculating a student's need for aid, we evaluate the average cost of attendance for the student. The idea behind this budget is to give you a dollar figure for leaving home, attending nine months of college, and returning home again. This includes:

- Tuition
- Fees
- Room & board
- Books
- Transportation from home and back again
- Miscellaneous or personal expenses

The EFC will provide a basis for almost all financial aid decisions in regards to federal aid programs. The EFC is not a major factor in determining Northland aid programs. Please see the scholarship page to review the eligibility and application requirements for specific Northland programs.