



## Approximate Parent Contributions (PCs)

We have prepared the tables of Expected Parent Contributions on the reverse side by running income and asset figures through the on-line EFC calculators at [www.collegeboard.com](http://www.collegeboard.com). We modeled a family that had two working parents and two children. The PCs in the table are the result of the formulas and represent an approximate value for the family's college cost for each year (that is, it is a one year cost, not a four year cost).

We made the following assumptions in our calculations:

- Each parent in the household earns 50% of the earned income
- Each parent contributes 10% of their income to a 401k
- One parent pays for a family health insurance plan with pre-tax dollars
- The family owns a home worth three times their total income
- The family holds a mortgage worth 80% of the value of their home
- The family has unearned income (interest, dividends, capital gains) equal to 1% of their earned income
- Both children are under 18 and one is a senior in high school. The PC calculated is for the older student's freshman year in college.

These figures are estimates based on many assumptions, and your own results will be different from these.

## The Federal Methodology (FM)

All Colleges that administer federal financial aid use the federal methodology to calculate an EFC. We have used the standard federal formula to generate the PCs in the table. Families that have unusual circumstances, such as reductions in income, high, non-discretionary expenses, etc. may see lower PCs if these unusual circumstances are reported to the college.

The assets considered are all investible assets except retirement plans, and all real estate holdings *except* the home in which the family lives. This includes 529 savings plans, prepaid tuition plans, and Coverdell ESAs with all family members in the households as beneficiaries.

		Total Non-retirement Investible Assets			
		\$0	\$100,000	\$200,000	\$300,000
Total Parent Income	<b>\$50,000</b>	\$2,925	\$4,843	\$9,529	\$15,169
	<b>\$60,000</b>	\$5,005	\$7,680	\$13,277	\$18,917
	<b>\$70,000</b>	\$7,832	\$11,302	\$16,942	\$22,582
	<b>\$80,000</b>	\$11,515	\$15,001	\$20,641	\$26,281
	<b>\$90,000</b>	\$15,247	\$18,733	\$24,373	\$30,013
	<b>\$100,000</b>	\$18,497	\$22,432	\$28,072	\$33,712
	<b>\$110,000</b>	\$22,579	\$26,065	\$31,705	\$37,345
	<b>\$120,000</b>	\$25,951	\$29,436	\$35,076	\$40,716
	<b>\$130,000</b>	\$29,569	\$33,054	\$38,694	\$44,334
	<b>\$140,000</b>	\$32,827	\$36,313	\$41,953	\$47,593
	<b>\$150,000</b>	\$36,085	\$39,571	\$45,211	\$50,851
	<b>\$160,000</b>	\$39,455	\$42,940	\$48,580	\$54,200
	<b>\$170,000</b>	\$42,816	\$46,302	\$51,942	\$57,852
	<b>\$180,000</b>	\$46,105	\$49,590	\$55,230	\$60,870
<b>\$190,000</b>	\$49,394	\$52,879	\$58,519	\$64,159	
<b>\$200,000</b>	\$52,683	\$56,168	\$61,808	\$67,488	

## The Institutional Methodology (IM)

Many Private Colleges will use a more complicated methodology to determine how much of their own funds (not government funds) that they will provide to a student.

In the "IM", the assets considered are all investible assets except retirement plans, and all real estate holdings *including* the home in which the family lives. In our table below, the asset figures listed across the top *do not include* our assumed home equity. That is, they are the same assets that appear in the FM table. However, since the private colleges include home equity when they determine PCs, we *added* home equity to these assets before calculating the EFC.

		Total Non-retirement Investible Assets			
		\$0	\$100,000	\$200,000	\$300,000
Total Parent Income	<b>\$50,000</b>	\$1,725	\$5,805	\$10,805	\$15,805
	<b>\$60,000</b>	\$4,139	\$7,714	\$12,714	\$17,714
	<b>\$70,000</b>	\$6,081	\$9,503	\$14,503	\$19,503
	<b>\$80,000</b>	\$8,084	\$11,619	\$16,619	\$21,619
	<b>\$90,000</b>	\$10,167	\$13,817	\$18,817	\$23,817
	<b>\$100,000</b>	\$12,584	\$16,347	\$21,374	\$26,347
	<b>\$110,000</b>	\$15,196	\$19,073	\$24,073	\$29,073
	<b>\$120,000</b>	\$17,780	\$21,757	\$26,757	\$31,757
	<b>\$130,000</b>	\$21,098	\$25,121	\$30,121	\$35,121
	<b>\$140,000</b>	\$24,348	\$28,416	\$33,416	\$38,416
	<b>\$150,000</b>	\$27,303	\$31,417	\$36,417	\$41,417
	<b>\$160,000</b>	\$30,365	\$34,524	\$39,524	\$44,524
	<b>\$170,000</b>	\$33,422	\$37,627	\$42,627	\$47,627
	<b>\$180,000</b>	\$36,405	\$40,655	\$45,655	\$50,655
<b>\$190,000</b>	\$39,390	\$43,686	\$48,686	\$53,686	
<b>\$200,000</b>	\$42,534	\$46,941	\$51,941	\$56,941	