

Expected Family Contribution: How It Is Secretly Negatively Affecting the Middle Class

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Imagine you are a high school senior filling out the Free Application for Federal Student Aid (FAFSA) for the first time. Since you are still dependent on your parents, you submit their information such as income and assets. As a middle-class student you expect some financial aid to be able to afford going to your dream school. However, to your surprise, your Expected Family Contribution (EFC) is too high to qualify for any aid and your parents can not afford to pay the college tuition. Now, you have a tough decision to make that could potentially make you forfeit pursuing a higher education, leave you with a huge amount of debt at the end of your college years or make you forfeit your dream school. Sadly, this is the reality for 42 percent of middle-class students according to The Hechinger Report (qtd. in Ghandour).

The way the EFC is determined should be changed as it harms dependent middle-class students. It is often higher than what families can afford and it makes them ineligible to federal financial aid. Not to mention some parents are not willing to help their children pay for college regardless of dependency status. Students are often left with limited options that could potentially negatively impact their future. That is why the U.S Department of Education should not only focus on giving more financial aid to low-income students but it should focus on including the middle class. Changes, such as creating a new form that would be better at determining financial aid, would be a start.

The formula used to calculate a student's EFC is very long and complex. Depending on the student's dependent or independent status, different financial information is used. According

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Fall 2023

to the Federal Student Aid website the EFC for dependent students is calculated by first calculating the parents' available income. This is done by subtracting taxes and basic living expenses. Any remaining money is considered available for college spending. Next, the parent's contribution from assets is calculated by using the parent's net worth and discretionary net worth. Then the parent's contribution is calculated by adding the income and contribution of assets. For the student's income and assets the process above is repeated. When the EFC is calculated with this information, oftentimes middle class students receive a large EFC number. While it may be mathematically correct, it doesn't accurately represent what a family can pay based on their circumstances. It makes middle class student's financial need not as obvious since it does not take into consideration if a family lives in a high cost area, has expenses outside of what the FAFSA deems "necessary," and most importantly it doesn't take into consideration if a family is actually willing to help their student pay for college.

The goal of student financial aid programs is to help students have access to higher education, allow them to pursue their dream career, and help students reach their full potential. For many, especially low income students, this is true. Unfortunately, it is not for middle class students who are "too rich" for financial aid but are "too poor" to pay for college. The effect of this has slowly started to show in college attendance. Author Jon Marcus writes that according to a Pew Research Center report, the number of middle class students attending college has been slowly and steadily decreasing. In private non profit college attendance has fallen from 48 percent to 42 percent and in public, four year universities it has lowered from 48 percent to 40 percent. With the lack of financial aid many young students become overwhelmed about their situation and limited options. They could choose to take loans if it is not a financial burden or they could apply for scholarships but winning is never guaranteed, especially since most middle

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Fall 2023

class students are doing the same. While it is unfortunate that students make the decision to not attend college, it should not be as surprising as they don't have many options. The rising tuition costs are also a major factor for the decline of college attendance in the middle class. A source from Georgetown University states that since 1999 the total cost of college has risen by about 52 percent at private non profit while at public institutions it has risen by 78 percent. Regrettably, these increases drive away students and cause a cycle of inequality as oftentimes people without higher education earn less and could potentially struggle to afford their children's education creating even more inequality.

To make up for the fact that many middle class students do not receive aid, they are advised to take out student loans. While it might seem like a good idea, it isn't always. Oftentimes a student who graduates with a bachelor's degree will spend years paying off their loans. For example, a study by Melanie Hanson, a research analyst, shows that the estimated student loan debt for a 2021 graduate was \$31,100. It might not seem terrible, but depending on the person's salary after graduation, they could spend between six to sixteen years paying off their debt. That is if they keep a steady income throughout all of those years and can always afford their monthly payment, something that is never guaranteed. If a graduate loses their job or has an unexpected financial strain, they are likely to fall behind in payments creating even more financial stress. The financial strain from student loans can also negatively impact other aspects. A study conducted to measure the effects of student loans on health and life satisfaction in US households found that financial stress from loan debt can affect a person's health and psychological well being (Kim & Chatterjee). Some of those effects include smoking, obesity, depression, anxiety, and even suicide or suicide attempts, which can also affect their personal relationships and their work ethic creating an endless cycle.

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Fall 2023

No one should have to decline an acceptance offer to their dream school due to financial issues. Unfortunately, that is the reality for many middle class students as they rather give up their dream school than their pursuit of higher education. Emily Erickson, a sophomore at Utah University is one of thousands of students whose EFC was too high to qualify for aid. Her senior year of high school she had been accepted to Wharton at the University of Pennsylvania on account of her strong application. Initially, she had been deemed eligible to receive \$25,000 of financial aid along with other perks since her family's gross income was \$65,000. Rightfully so, she was overjoyed. That was until her financial award letter came in the mail. After filling out the FAFSA her calculated EFC was \$120,000 so the school deemed she had no need for financial aid. She tried to appeal her EFC, but found out that her parent's savings outside of the retirement fund was the reason her EFC was so high. She tried to explain that her parents could not afford to pay the reported EFC amount and that they were not going to help her pay for college but she was told that it was not enough of a reason to be able to appeal her EFC. This is the most frustrating and invalidating thing that can happen to a student. It sends the message that their hard work throughout their four years of high school does not matter since in the end money will define what school they can attend. It limits students' opportunity to reach their full potential and does not allow them to have the same opportunities as others (Erickson).

Regrettably, Emily isn't the only student affected by this. Author Lynn O'Shaughnessy from CBS News, wrote an article about the percentage of students attending their dream college in 2014. She found that a research survey from the University of California, Los Angeles' on first year students, stated that 26 percent were not enrolling in their dream school because they received no financial aid. In order to make achieving their dreams more realistic, students have to attend a school where they will be able to manage paying the tuition by whatever means they

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Fall 2023

can. For some, it might mean working full time while also being a full time student or another option that takes their focus and time from school making students work two times harder for their education.

To help fix the hardships middle class income students suffer due to the inaccuracy of the EFC on the FAFSA, there are a couple of things that can be done. Some institutions use the College Scholarship Service (CSS) to provide financial aid to their students. An article written by Dori Zinn, a personal finance journalist, explains the difference between the FAFSA and the CSS. While the FAFSA uses the EFC to determine financial eligibility, the CSS profile takes into consideration not only income and assets but financial obligations as well. This means that the form takes into consideration financial situations that could potentially affect how much a family can actually contribute. This form is only used at certain institutions and it has its own faults, such as charging a fee every time it has to be filled out. However, it has led to students receiving higher financial aid. The goal would be to create a form that could combine both of the positive aspects of the FAFSA and the CSS in which assumptions wouldn't be made.

Since some institutions have been noticing the decreasing college attendance in the middle class, they have also begun to provide more aid. According to a Georgetown University source some colleges have begun leading the way, like the University of Virginia which covers the tuition for in-state students whose families earn less than \$80,000 a year. Clearly, institutions are more than able to give more financial aid to students. The only problem is that not many families are aware about it. The goal in this case would be for schools to do a better job at getting the word out so students who need the help are able to take advantage of it.

Some might argue that a way for students to pay for their college debt after graduation is to focus on getting a degree in a field with a high income. While that made seem like a good

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Fall 2023

idea, should a student be forced into making a tough decision between money and their dream career? It is unfair for a student to be expected to sacrifice so much for an education in a field they might not want. Not to mention, it could lead to lower work ethic as a person forced into a job wouldn't be as interested in giving it their all.

As previously mentioned, since some college institutions have begun noticing the decline of the middle class attendance they are now providing more aid. While it might seem illogical to give the middle class students more aid instead of low income students, it actually isn't. A report written by Jon Marcus found that according to the Pew Research Center the proportion of middle class students in college has been falling over the past two decades, while the proportion from low income classes has gone up. Therefore, providing more aid to middle class students would help and allow more students to achieve their dream of a higher education without the stress of massive student loans.

A middle class student, who has worked hard their entire high school years with the dream of attending college, shouldn't be neglected by a faulty system that can't accurately represent their financial need. Now, more than ever, this issue should be acknowledged in order to move towards achieving the equity America seeks within society. Every student should be able to access their full potential and achieve a higher education without having to be faced with harsh decisions at a young age that will affect them for the rest of their lives. That is why a new or modified system needs to be created in order to keep up with the demand of financial needs from students.

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