A Uniform Methodology for Measuring Parental Ability to Pay: Implications for the College Scholarship Service in 1975-76.

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The movement toward a uniform methodology of determining parental ability to pay to be used over time by all institutions and agencies awarding financial aid funds is consistent with the goals and objectives of the College Scholarship Service (CSS). This paper describes a proposed system for a uniform methodology for measuring parental ability to pay for postsecondary educational costs for consideration by the membership of the CSS Assembly. In setting forth this proposal, a brief review of the CSS need analysis system is given. This comparative analysis demonstrates the substantial aspects of the CSS need analysis rationale that have been incorporated into the proposal outlined. The proposed methodology brings into being several characteristics long considered desirable by many financial aid administrators and agencies awarding student aid funds -- namely, a more simplified system in which the methodology can be readily understood by the users and in which accuracy of information is retained. (Author/JMF)
A UNIFORM METHODOLOGY FOR MEASURING PARENTAL ABILITY TO PAY: IMPLICATIONS FOR THE COLLEGE SCHOLARSHIP SERVICE IN 1975-76

This paper, prepared by James L. Bowman, Director, Financial Aid Studies and Programs, Educational Testing Service, is being distributed at the College Board Regional Assembly meetings, winter 1975, for discussion and reaction.

The purpose of this paper is to describe a proposed system for a uniform methodology for measuring parental ability to pay for postsecondary educational costs for consideration by the membership of the College Scholarship Service Assembly. In setting forth this proposal, a brief review of the CSS need analysis system is given. This comparative analysis demonstrates the substantial aspects of the CSS need analysis rationale that have been incorporated into the proposal outlined here:

The movement toward a uniform methodology of determining parental ability to pay to be used over time by all institutions and agencies awarding financial aid funds is consistent with the goals and objectives of the CSS and represents a continuation of the evolution of measurement that has been a part of the CSS tradition since its inception in 1954. In addition, the proposed methodology brings into being several characteristics long considered desirable by many financial aid administrators and agencies awarding student aid funds -- namely, a more simplified system in which the methodology can be readily understood by the users and in which accuracy of information is retained.

The development and maintenance of a methodology for the measuring of parental ability to pay will continue to be important as long as the primary purpose of financial aid programs is to permit attendance at postsecondary institutions by students who cannot afford to pay the expenses themselves. The desired equity in the awarding of financial aid can only be achieved through the widespread application of a consistent method for measuring the ability of families to pay for educational costs.
Assumptions

The proposed uniform standard is based on the same general assumptions as the current CSS need analysis system. The underlying principle of the proposed national standard is that parents have an obligation to finance the education of their children to the extent that they are able.

Another general assumption shared by the proposed uniform standard and the CSS system is that the family must be accepted in its present financial condition. Any system that analyzes financial need must deal first with the objective facts of family financial circumstance. It cannot make distinctions between the frugal and the spendthrift. It cannot distinguish between improvidence and financial hardship.

The proposed uniform standard attempts to treat all families equitably, recognizing the peculiarities of each family's situation that contribute to differences in ability to pay. This is closely related to the assumption in the CSS system that in determining a family's ability to pay for postsecondary education, the computation system must consider the size of the family and the extraordinary expenses that the family may have. The system must consider special family circumstances such as age, marital status, and the number of working parents, as these factors alter a family's financial strength.

The uniform standard considers both the income and assets of parents in deriving their true financial strength. This principle of need analysis is similar to the CSS assumption that a family's income is the primary source of support for postsecondary education, but its accumulated assets must also be considered. Income and assets, combined, produce the most comprehensive index of a family's financial strength and therefore its ability to pay. Furthermore, both systems recognize certain expenses and expenditures that are not a matter of family choice, and therefore do not make adjustments in estimates of financial strength because of differences in family situations that result from family choice. For example, a family that owes a large debt on a automobile is treated identically with a family that owns a fully paid-for model. Even though the first family has a debt and is required to allocate more of its income to paying that debt, the purchase of the automobile generally reflects family choice, so this obligation is not considered in the estimate.

Although simple, accurate, and objective data as the basis for the uniform standard's calculations, the resulting contributions can retain the validity of the present CSS system. There may well be complexities in a relatively small number of individual family financial circumstances and
differences in attitudes toward education that will require that an aid administrator consider adjustments if appropriate for a specific family. In doing this he or she should evaluate both the objective and subjective information available to him from all sources.

In general then, the expected parental contribution toward educational expenses generated by the CSS and the proposed uniform methodology are derived from the interaction of income, unusual circumstances, asset holdings, and rates of expected contribution toward educational expenses.

Basic to the philosophy of the CSS, and incorporated into the proposed uniform methodology is the concept that certain levels of income and assets are required to provide for the economic necessities of the family, and that income and assets above these levels are available, in varying amounts, for institution of postsecondary education.

**Concept of Effective Income**

The proposed uniform methodology for measuring parental ability to pay uses, as does the current CSS rationale, a concept of "effective income" in its procedures for calculating the parental contribution for educational expenses. Effective income, in this case, is defined as that income available to the family for the provision of its economic wants after allowance against the parents' total taxable and nontaxable income has been made for the following expenses:

1. Federal income and F.I.C.A. taxes paid
2. Medical and dental expenses claimed for tax purposes (excluding medical insurance)
3. Casualty losses claimed for tax purposes.
4. Housekeeping allowance (if appropriate).

An allowance as now in the CSS system is made for federal income and employment taxes (social security) because these are mandatory taxes that are generally equally applicable to citizens in the United States and its possessions. The payment of such taxes reduces funds available for other economic wants. One might reasonably ask why other taxes such as state and local taxes and real estate and sales taxes are not similarly deducted in the proposed uniform methodology. Studies by public finance economists, for example Richard Musgrave and Joseph Pechman, as well as annual studies conducted by the National Tax Institute, indicate that for various income classes and within the various states, the total burden of other taxes tends to be distributed fairly uniformly by income groups. That is to
say, a given income group in California whose taxes are income, excise, property, and sales taxes will have the same relative tax obligation as a similar income group in New Jersey where the predominant taxes are property, excise, and sales. It is recognized that the collection of exact tax information within each locality and state for individual families would be an extremely difficult task and pose great problems with respect to accuracy of the information collected. On the other hand, to allow for certain taxes and to exclude other types would be to provide inequitable treatment to certain families, considering the fact of the uniformity of the overall tax burden.

It should be noted that elimination of a direct allowance for state income tax paid has little overall effect on the CSS filing population. The average change in contribution that results when an allowance for this item is eliminated is $50. For families with a net income of $20,000 or less the change in parental contribution that would result is $100 or less. For families with incomes between $20,000 and $25,000 the average change in contribution ranges from $100 to a maximum of $200. In the proposed methodology, provision is made for the average burden of state and local property, sales, and excise taxes through the determination of the rate of contribution from effective income.

Similar to the allowance made at present by the CSS, an allowance is made in the uniform standard for provision of unusual medical and dental expenses. In an effort to enhance the accuracy of the information reported, the proposed uniform methodology uses those medical and dental expenses (excluding medical insurance) allowable as a deduction for federal income tax purposes. Since provision for basic medical expenses (including medical insurance) for families is made in the Bureau of Labor Statistics (BLS) standard of living to be discussed later in this paper, such expenses that are allowable for income tax purposes more closely approximate unusual or extraordinary expenses to a family.

Under current CSS procedures, the allowance for medical and dental expenses in excess of 5 percent of income does not usually affect average parental contribution. For the population as a whole, the average change in parental contribution due to medical and dental expenses is $20. The average change ranges from $10 at incomes of $5,000 or less to $40 for families at income levels of $22,000 or more. Using the deduction claimed for income tax purposes in the proposed uniform methodology will result in a reliable, commonly understood allowance procedure, as sensitive as that in the present CSS system.
As is the case in the CSS system, special allowances are also given for extraordinary expenses that are not normal expenses of family life and reduce a family's usable income. The allowable expenses in this category are those associated with "acts of God." These are expenditures of a casualty nature that are not foreseen and do not arise from an act of consumer choice. Again, in order to retain the validity of the information reported and to minimize confusion about the terminology of "unusual expenses," the proposed uniform methodology uses those deductions for casualty losses that are claimed for federal income tax purposes. Such deductions are quite similar to those currently allowable under CSS procedures, and so this change would have a minimal effect on parental contributions of the CSS filing population.

In addition to these deductions in the proposed uniform methodology, allowance is made for housekeeping purposes where there are two working parents or where there is a single parent. This allowance is 50 percent of the lesser income or $1,500, whichever is less (as in current CSS procedures). This allowance is meant to adjust income for the additional employment expenses incurred by families that do not have the advantage of a nonemployed parent. When parents are working they incur additional expenses for clothing, transportation, and meals away from home and in a number of cases expenses for child care. The current CSS system recognizes the costs of employment when two parents work, although at a slightly less accelerated rate. This change would extend the same type of recognition of employment costs to single parent families.

Thus, from the total family income (taxable and nontaxable) are subtracted certain allowable deductions, federal income and employment taxes, and if applicable a housekeeping allowance, medical, and extraordinary expenses. The remainder is considered to be "effective income," analogous to that used by the CSS. Note that there is no direct allowance against income in the proposed system for dependents in the family other than dependent children. This is because the costs associated with these other family members is considered later in the procedure.

Basic Standard of Living

Basic to the CSS system is the concept of a "moderate" level of living, a level of living that is neither luxurious nor poverty stricken. A family with moderate income and assets can maintain a standard of living similar to the middle-income third of the population of the United States. The moderate income allows adequate funds for food and housing, for health and nurture of children, and for reasonable
participation in social and community activities. The levels of effective income required to provide a moderate standard of living will vary depending on family size. At the present time, such effective income levels range from an after-tax income of $10,290 for the one-child family to an after-tax income of $19,020 for the family with 10 children.

The moderate levels of living established by the CSS have been derived from the spring 1967 cost estimates by the Bureau of Labor Statistics for a moderate standard, adjusted for changes in the Consumer Price Index (CPI) and to provide for a college-age child in families of differing sizes. In addition, under CSS procedures, a standard lower than the moderate level has been adopted as a point of zero contribution. This standard is the lower-budget standard of the Bureau of Labor Statistics, adjusted for changes in the Consumer Price Index and to provide for a college-age child and families of differing sizes.

For families with after-tax income below the moderate level, all income is applied to maintenance of the family. Income above these levels is considered discretionary and available to the family for purchasing other goods and services, one of which could be higher education.

A major assumption by the CSS is that parents are expected to continue to provide, as well as they are able, the basic essentials of life, whether the student lives at home or on the college campus. Analysis of the changes in the moderate standard budget indicates that as family size increases, the added costs to provide a moderate standard decreases. In order to provide a standard contribution for equivalent incomes representative of continuation of provision of the basic necessities of life, the CSS has developed a weighted average budget using CSS families in 1972-73 as the population weights. The weighted average budget change for a nine-month period amounts to approximately $900 excluding taxes. Consequently, at the moderate income level, the family would be expected to contribute $900 from income, an amount that represents the continuing obligation of the parents to provide for the continuing maintenance of the student, excluding costs associated with housing. Below the moderate income level, expectations decrease from $900 to $0 at the level at which families have incomes equivalent to that of the Bureau of Labor Statistics lower-budget standards.

In a modification of the CSS concept of a moderate level of living and its utilization of a fixed dollar expenditure representative of the "maintenance level" required of the family, the proposed uniform methodology provides for a standardized allowance, called the minimum standard (MS) allowance. The MS represents the cost of the basic necessities
for each family member receiving over one-half support from the family and represents the level of income at which no contribution can be expected toward postsecondary educational expenses. Its use, therefore, exempts from contribution the dollar amount necessary to provide for the most basic expenses of the family unit.

The proposed Minimum Standard Schedule is based on the spring 1967 cost estimates of BLS for a family living at a low standard of living, adjusted for changes in the Consumer Price Index (CPI) and to provide for a college-age child in families of differing sizes. The Minimum Standard Schedule that would result from adjustments in the CPI through December 1974 is as follows:

<table>
<thead>
<tr>
<th>Family size</th>
<th>Income after federal income and social security taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$6,910</td>
</tr>
<tr>
<td>4</td>
<td>8,030</td>
</tr>
<tr>
<td>5</td>
<td>9,070</td>
</tr>
<tr>
<td>6</td>
<td>9,880</td>
</tr>
<tr>
<td>7</td>
<td>10,440</td>
</tr>
<tr>
<td>8</td>
<td>11,000</td>
</tr>
<tr>
<td>9</td>
<td>11,560</td>
</tr>
<tr>
<td>10</td>
<td>12,050</td>
</tr>
<tr>
<td>11</td>
<td>12,450</td>
</tr>
<tr>
<td>12</td>
<td>12,770</td>
</tr>
</tbody>
</table>

These MS allowances are identical to those used by the CSS to denote those income levels at which a zero parental contribution is expected. It should be pointed out that family size in the proposed system is determined by the number of family members receiving over one-half their support from the family. This is not necessarily the same as the number of dependent children recognized in the CSS system. Use of the family member concept eliminates the need for an arbitrary allowance for dependents other than children, and the dollar level it represents (differing by family size) is a more current approximation of the expenditures in dollars and in kind that the family is providing.

Thus, from the total family income (taxable and non-taxable) are subtracted federal income and social security taxes, certain allowable deductions, a housekeeping allowance (if applicable), and an appropriate allowance based on family size. The remainder is considered to be "available income" and is available to the family for supplementation of the Minimum Standard and a variety of discretionary purposes, one of which is to provide for the postsecondary educational expenses of the children.
The calculation of available income in the proposed uniform methodology can be illustrated as follows:

Taxable wages, salaries, tips and other employee compensation:
Father
Mother
+ Dividends
+ Interest
+ Income other than wages, dividends, and interest
- Adjustments to income (sick pay, moving expenses, etc.)
= Adjusted gross income for year preceding academic year
+ Nontaxable income for year preceding academic year
= Total income for computation purposes
- Federal income and social security taxes
- Deductions claimed for tax purposes on the basis of medical/dental expenses (excluding insurance premiums)
- Deductions claimed for tax purposes on the basis of casualty losses
- Housekeeping allowance (if appropriate)
= Effective income
- Appropriate minimum standard allowance
= Available income for supplemental and discretionary purposes

It is from the available income of the family that support is expected toward the provision of health, care, and nurture expenses of the student and, if income is sufficient, toward the out-of-pocket expenses of tuition, books and supplies, etc.

Parental Contribution from Assets

Since assets contribute to the financial strength of the family, it is important to include them when assessing the family's ability to pay for postsecondary education. A strong net assets position indicates greater capacity to finance postsecondary expenses out of current income, and greater access to financial resources in general. Rather than expecting a family to liquidate its assets, the assessment of assets indicates the family's ability to contribute more (or less) from its income as a result of its total financial strength.

In general, the CSS views the expected contribution toward the cost of attending a postsecondary institution in light of the total financial strength of the family as generated by the interaction of income and assets. It is generally recognized that the possession of assets gives greater total financial strength than income alone. Following this concept, the family with small income and large assets
may have the same financial strength as another family with a higher income but fewer or no assets.

The CSS system measures the financial strength provided by various combinations of income and assets by determining the potential supplementary income that would be expected from a given value of assets. Since assets generally have been accumulated by deferring the purchase of goods and services from income in the past, the assets can be considered available to supplement the purchase of goods and services from income at the present and in the future. The CSS system assumes that this supplement to current family income from assets is prorated over the expected lifetime of the parent. While families may not convert their assets according to the CSS formula, the technique serves to group families equitably with approximately the same financial strength when both income and assets are considered together.

In general, the proposed uniform methodology for determining parental ability to pay will follow much the same procedures as the CSS follows in determining discretionary net worth. Discretionary net worth in the CSS system is the value of assets after provision for retirement and indebtedness is made. The standard items to be considered as assets in the proposed system are:

1. Residence equity
2. Other real estate equity
3. Cash assets
4. Other investments
5. Business/farm net worth

In a modification of current CSS procedures, the proposed uniform methodology will include the total net worth of the family's share of business and farm assets rather than a varying percentage. The purpose is to provide for more equitable treatment of assets in general rather than base the allocation on types of asset held. The full value concept was approved by the CSS members for use in the 1972-73 processing year, but it was later modified to provide for a transitional period because of the levels of expectation in effect during 1972-73 and 1973-74. The recognition of the considerable inflation in the economy in determining the expected levels of contribution for the 1974-75 processing year has ameliorated, to a large extent, the impact of the expected rates of contribution on net worth held in the form of a business or farm. Furthermore, the proposed uniform methodology exempts a larger portion of assets for retirement purposes than does the CSS at the present time.

The uniform methodology, as in the CSS system, does not take into consideration the value of consumer goods as
assets, nor are outstanding loans or debts -- incurred in connection with purchases of such durable consumer goods as automobiles, household furnishings, and appliances -- considered.

In recognition that a major reason for accumulating assets is to provide for future retirement, the proposed uniform methodology also provides an allowance against assets. The allowance varies by age and sex of the primary working parent and is the dollar amount required, at the present age of the parent, to purchase a fully paid annuity to provide at age 65 a supplementary income to social security benefits. The supplementary retirement income is the difference between average social security benefits and the budget amount estimated by the Bureau of Labor Statistics as necessary to provide a moderate standard of retirement living. This procedure is consistent with that currently being used by the College Scholarship Service.

The retirement allowances have been derived by determining what amount, in a single payment, might be demanded by a commercial insurance company at differing ages of the primary working parent in return for the payment of an annuity of $1,860 (in the case of a couple) or $1,930 (in the case of a single individual) per year beginning at age 65. This procedure is identical with that of the CSS; however, the fact that individuals are living longer on the average than the experience indicated in the Commission's Standard Ordinary Mortality Tables of 1958 has been recognized in these allowances. This results in slightly higher retirement allowances than are currently being used by the CSS. Retirement allowances for selected ages and family types under the proposed uniform methodology are illustrated below:

<table>
<thead>
<tr>
<th>Age</th>
<th>Two-parent family</th>
<th>One-parent family</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>$11,040</td>
<td>$13,680</td>
</tr>
<tr>
<td>47</td>
<td>12,720</td>
<td>15,720</td>
</tr>
<tr>
<td>52</td>
<td>15,000</td>
<td>18,360</td>
</tr>
<tr>
<td>57</td>
<td>18,000</td>
<td>21,720</td>
</tr>
<tr>
<td>62</td>
<td>22,320</td>
<td>26,400</td>
</tr>
<tr>
<td>65</td>
<td>25,920</td>
<td>30,240</td>
</tr>
</tbody>
</table>

After provision against net worth has been made for an appropriate retirement allowance the family's remaining assets are considered discretionary.

It is from the discretionary net worth of the family that the additional financial strength generated by assets is measured. The discretionary net worth represents the portion of family net worth above that required to provide
a moderate level of retirement income and could be considered available for the family to use in supplementing income at present and into the future.

The purpose of the income supplement is to take account of the contribution that discretionary net worth makes to ability to pay for goods and services out of current income. The percentage of discretionary net worth that is assumed to be converted to an annual supplementary income flow is 12 percent. This is a slightly different procedure from that currently used by the CSS where the conversion ratio varies by age and sex of the head of household. A uniform conversion ratio was chosen because of its ability to recognize changes in the economy. The varying ratios used by the CSS are a function of mortality tables, years of working life, and interest rates in the economy. In the current complex economic situation, some of the underlying variables have lost the stability that previously recommended this use. A single conversion rate has the advantage of understandability, and its rate reflects the rate of inflation in the economy at the present time. The most prevalent assets families seeking financial assistance are those composed of homes and real estate equity—changes in the market value of such holdings from year to year are primarily a function of inflation. Consequently, a conversion rate that approximates what inflation has added as an increment of value appears to be appropriate.

In order to provide equal treatment among families, the uniform methodology distinguishes between assets sufficient for retirement and assets insufficient for retirement. When the family assets are not sufficient to provide for adequate retirement at the moderate level, an allowance is granted against effective income as is true under the current CSS procedures. This allowance is determined by ascertaining the difference between current assets and those required to provide an appropriate retirement allowance and applying a negative conversion ratio of 6 percent.

The first step before determining the amount parents can reasonably be expected to contribute toward meeting educational expenses is to determine the adjusted available income of the family. Adjusted available income is the available income plus the income supplement from discretionary net worth. The adjusted available income reflects the economic strength of the family resulting from a combination of its income and assets. Contribution toward educational expenses is derived from this amount.
Expected Parental Contribution from Adjusted Available Income

As stated earlier, the CSS system revolves around the concept of the BLS moderate standard with a specific dollar expectation attached to that standard for the continued support of a child attending an institution of postsecondary education. Both the moderate standard and the lower standard serve as reference points in the CSS system for determining the ability of parents to contribute to the costs of postsecondary education. At the lower-budget standard a $0 contribution is expected, and at the moderate level a contribution of $900 is expected. Under the proposed uniform methodology the effective lower-budget standard serves as the point at which a zero contribution results. Income above that level is considered to be available income that can be utilized for supplementary and discretionary purposes.

Since available income represents the money available for supplementary and discretionary purposes, the question remains: What portion should be expected for postsecondary educational expenses? The existing national services (CSS and ACT) have approached this question by applying progressive tax theory to need analysis. Given the concept of a basic standard of living, money over this standard can be considered available for a variety of purposes. Economists have demonstrated that as the amount of money available to the family for discretionary purposes increases, the ratio of basic consumption expenditures to total income decreases. Thus, as income increases, a larger percentage of income may be taxed with less effect on the support of the family. The proposed uniform methodology uses the following taxation rate schedule for estimating the ability of the family to contribute toward educational costs:

Adjusted Available Income Taxation Rate Schedule

<table>
<thead>
<tr>
<th>Adjusted available income</th>
<th>Taxation rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0&lt; $ 5,000</td>
<td>22%</td>
</tr>
<tr>
<td>5,000&lt; $ 6,000</td>
<td>$1,100 plus 25% over $ 5,000</td>
</tr>
<tr>
<td>6,000&lt; $ 7,000</td>
<td>1,350 plus 29% over 6,000</td>
</tr>
<tr>
<td>7,000&lt; $ 8,000</td>
<td>1,640 plus 34% over 7,000</td>
</tr>
<tr>
<td>8,000&lt; $ 9,000</td>
<td>1,980 plus 40% over 8,000</td>
</tr>
<tr>
<td>9,000&lt; $10,000</td>
<td>2,380 plus 47% over 9,000</td>
</tr>
<tr>
<td>10,000 or more</td>
<td>2,850 plus 55% over 10,000</td>
</tr>
</tbody>
</table>

These rates have been developed to approximate the expected parental contribution used by the CSS and ACT for the 1974-75 processing year.
A comparison of the expected contribution from effective income (i.e., income after federal income and social security taxes) under current CSS procedures and those using the proposed uniform methodology from certain income levels and family size is contained in Table 1 at the end of the paper.

Summary

In general terms, the CSS computation for the family contribution to postsecondary educational expenses involves the following:

1. Determination of the annual income of the family.

2. Determination of effective income, by subtracting from annual income amounts that reflect federal income and F.I.C.A. taxes paid, state income tax, special categories of expenses arising from unusual situations, and a working spouse allowance.

3. Determination of discretionary net worth, with special consideration of the age of the primary working parent and the family situation.

4. Determination of any income flow supplement by prorating discretionary net worth over the estimated remaining life years of the primary working parent.

5. Determination of the adjusted effective income by adding effective income and income flow supplement.

6. Determination of family contribution from adjusted effective income by reference to parental expectation curves.

Similarly, the proposed uniform methodology for computation of the family contribution to college expenses involves the following:

1. Determination of the annual income of the family by combining income reported for federal income tax purposes with nontaxable income.

2. Determination of the available income of the family by subtracting from the annual income amounts that reflect federal income and social security taxes paid, deductions allowed for medical, dental, casualty losses, and housekeeping expenses and a family size allowance based on the Bureau of Labor Statistics lower-budget standards.
3. Determination of discretionary net worth, with special consideration of the age of the primary working parent and the family situation.


5. Determination of the adjusted available income by adding available income and income flow supplement.

6. Determination of family contribution from adjusted available income by reference to a tax rate schedule.
Table 1. Comparison of Parental Contribution Under the Current CSS System and the Proposed Uniform Method, 1974-75 Processing Year

<table>
<thead>
<tr>
<th>Income*</th>
<th>One child</th>
<th>Three child</th>
<th>Five Child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current CSS</td>
<td>Proposed method</td>
<td>Current CSS</td>
</tr>
<tr>
<td>$7,500</td>
<td>$150</td>
<td>$130</td>
<td>$180</td>
</tr>
<tr>
<td>10,000</td>
<td>820</td>
<td>680</td>
<td>$180</td>
</tr>
<tr>
<td>12,500</td>
<td>1,430</td>
<td>1,250</td>
<td>690</td>
</tr>
<tr>
<td>15,000</td>
<td>2,280</td>
<td>2,020</td>
<td>1,240</td>
</tr>
<tr>
<td>17,500</td>
<td>3,530</td>
<td>3,170</td>
<td>1,990</td>
</tr>
<tr>
<td>20,000</td>
<td>4,910</td>
<td>4,550</td>
<td>3,130</td>
</tr>
<tr>
<td>22,500</td>
<td>6,280</td>
<td>5,920</td>
<td>4,510</td>
</tr>
<tr>
<td>25,000</td>
<td></td>
<td></td>
<td>5,880</td>
</tr>
</tbody>
</table>

*After federal income and social security taxes.