



Evaluate Colleges with the Net Price Calculator and Other Consumer Information

Accurately estimating the cost of college can be difficult and confusing. Costs often vary depending on a student's circumstances. Students at the same school may pay significantly different amounts depending on their financial resources, state of residence, living arrangements (on-campus, off-campus, or with parents), major or program of study, and other factors. The student's financial aid reduces the amount the family would otherwise have to pay, but the amount and types of aid also vary greatly from student to student and school to school.

In an effort to help students and parents estimate what they may have to pay, every postsecondary institution posts a net price calculator on its website. In addition, schools disclose information related to cost of attendance, availability of financial aid, and certain measures of student success.

Using these calculators and disclosures can help students and families make informed decisions about higher education and choose the school that best fits their needs and interests. However, this information has some limitations and can be misinterpreted.

This issue brief highlights some of the consumer information colleges provide to help students and families estimate out-of-pocket costs and evaluate the quality of institutions. It also analyzes what these disclosures say about a school and points out some of the limitations of the data. In addition to the information highlighted below, there are many other disclosures that schools make either on their websites or in other materials that relate to safety, job placement, and other characteristics of the school.

Cost

DISCLOSURE AND SOURCES

Net Price Calculator

Available on schools' websites

WHAT IS IT?

Higher education institutions that participate in the federal student aid programs post a net price calculator on their websites to estimate net price information for current and prospective students and their families based on students' individual circumstances.

KEEP IN MIND

These calculators are generally designed for full-time, first-time students. Part-time and returning students should keep this in mind when using this resource. The accuracy of these calculators may vary depending on how many details they collect. Simpler calculators will be easier to complete, but will likely be less accurate. While institutions try to make these calculators as accurate as possible, it is still an estimate and actual aid will require on-time application and may be affected by other factors. The actual net price may vary.

College Navigator

nces.ed.gov/collegenavigator/

Institutions also provide cost information to the U.S. Department of Education that is included in the Department's College Navigator website. This information includes:

- Estimated tuition and fees (including in-state and out-of-state costs when applicable)
- Estimated books and supplies
- Estimated room and board
- Tuition payment plans
- Average net price
- Average net price by income level
- Multiyear Tuition Calculator to estimate the total tuition and fee costs over the duration of a typical program

Net price is generated by subtracting the average amount of federal, state/local government, or institutional grant or scholarship aid from the total cost of attendance. Total cost of attendance is the sum of published tuition and required fees (lower of in-district or in-state), books and supplies, and the weighted average for room and board and other expenses. An individual student's circumstances may vary significantly from the averages used.

College Affordability and Transparency Center

collegecost.ed.gov

The U.S. Department of Education highlights institutions with high and low tuition and fees as well as high and low net prices (the price of attendance minus grant and scholarship aid). It also shows institutions where tuition and fees and net prices are increasing at the highest rates.

The center's net price figures only use first-time, full-time freshmen who receive grant aid. This is a small fraction of the school's student population so the figures may not be useful for transfer students, part-time students, or those who are not eligible for grant aid.

Financial Aid

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/

WHAT IS IT?

Institutions disclose the number and percentage of students who receive student aid and the total and average amounts of student aid received by students.

This information is broken out into types of aid to separate grant and scholarship aid from student loan aid that has to be repaid.

KEEP IN MIND

Remember that these are averages and don't necessarily reflect what you will be eligible to receive.

FAFSA4caster
www.fafsa4caster.ed.gov

The U.S. Department of Education provides some basic information about federal student aid and estimates eligibility for federal aid. Estimates are displayed in the College Cost Worksheet where you can also provide estimated amounts of other student aid and savings that can go towards your college education.

This calculator does not provide estimates of financial aid provided by states, schools, or private scholarships.

Accreditation

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/

WHAT IS IT?

Institutions provide the names of associations, agencies, or governmental bodies that accredit, approve, or license the institution and its programs to prospective and enrolled students. They also disclose the procedures for obtaining or reviewing documents describing accreditation, approval, or licensing.

KEEP IN MIND

Make sure prospective institutions have the appropriate accreditation and provide the proper credential to enable you to pursue the career path you choose.

Graduation and Transfer-Out Rates

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/

WHAT IS IT?

Every year, institutions disclose the completion or graduation rate of certificate- or degree-seeking, first-time, full-time, undergraduate students. The data is available by July 1 each year for the most recent cohort of students who have had 150 percent of normal time to complete their program of study. ("Normal time" is the length of program as published by the school.) If the information is requested by a prospective student, it must be made available prior to the student's enrolling or entering into any financial obligation with the institution.

Completion or graduation rates are shown by:

- gender;
- major racial and ethnic subgroup;
- recipients of a Federal Pell Grant;
- recipients of a Direct Subsidized Loan who did not receive a Pell Grant; and
- students who did not receive either a Pell Grant or a Direct Subsidized Loan.

Institutions whose missions include providing substantial preparation for students to enroll in another institution (e.g. community colleges) disclose a transfer-out rate. This rate is the percentage of the full-time, first-time students who transferred to another institution.

KEEP IN MIND

Institutions may add other information to their completion/graduation rate disclosures (e.g., graduation rates for other timeframes).

If provided, rates at which students are able to transfer to other schools or programs before finishing the program they started in can also provide good information if you are planning such a strategy yourself.

Transfer of Credit

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/

WHAT IS IT?

Institutions also disclose their transfer of credit policies that include:

- any established criteria the institution uses regarding the transfer of credit earned at another institution; and
- a list of institutions with which the institution has established an articulation agreement -- an agreement to accept the institution's graduates.

KEEP IN MIND

Students sometimes start their postsecondary education at a school they can more easily afford or which is closer to home, intending to transfer after a year or two to the school they want to graduate from. It is very important to understand how credits transfer between those schools to ensure that money and time have not been spent on courses that are not acceptable to the final institution.

Retention Rates

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/

WHAT IS IT?

Institutions provide the retention rate of certificate- or degree-seeking, first-time, undergraduate students. If the retention rate information is requested by a prospective student, the information must be made available prior to the student's enrolling or entering into any financial obligation with the institution.

KEEP IN MIND

This rate is a measure of new students who start in the fall and return next fall. It does not include students who start at other times, transfer students or returning students.

Job Placement

DISCLOSURE AND SOURCES

College Navigator
nces.ed.gov/collegenavigator/
(Not all institutions provide this information)

WHAT IS IT?

An institution that advertises job placement rates to recruit students to enroll must disclose:

- the most recent available data concerning employment statistics and graduation statistics;
- any other information necessary to substantiate the truthfulness of the advertisements; and
- relevant state licensing requirements of the state in which the institution is located for any job for which the course of instruction is designed to prepare students.

KEEP IN MIND

While job placement rates are an indication of how well a school prepares students for employment, remember that job placement rates are dependent on many factors outside an institution's control. A low job placement rate could be caused by a depressed economy (national or local) and high unemployment rates.

Campus publications, mailings, or electronic media

Schools disclose information concerning the placement of, and types of employment obtained by, graduates of the institution's degree or certificate programs. This includes any job placement rate the school calculates for any purpose.

Schools also disclose the types of graduate and professional education in which graduates of their four-year degree programs enroll.

Cohort Default Rate (CDR)

DISCLOSURE AND SOURCES

College Navigator

nces.ed.gov/collegenavigator/

WHAT IS IT?

This is an indication of how many student loan borrowers are able to repay their loans. It is the percentage of a school's borrowers who enter repayment on certain federal loans during a particular federal fiscal year, October 1 to September 30, and default on their loans prior to the end of the next fiscal year.

The U.S. Department of Education is in the process of switching from the current two-year cohort default rate to a three-year cohort default rate to track students' ability to repay their loans for an extra year.

KEEP IN MIND

Many factors cause students to default on their loans, so this rate may be an indication that a school is educating a large portion of students from low-income backgrounds, or that the school's programs are in career fields experiencing a depressed economy. However, the CDR is one indication of how well a school prepares students to enable them to repay loans, and how well the school counsels students to prevent over-borrowing.

For-Profit School and Nondegree Program Disclosures

DISCLOSURE AND SOURCES

Schools post these disclosures on their website and prominently display them on the program homepage. The information may also be found in campus publications, mailings, or electronic media.

WHAT IS IT?

For-profit schools and institutions that offer programs that lead to a credential other than a degree (e.g., a certificate) disclose:

- the occupations (as defined by the U.S. Department of Labor) that the program prepares students to enter
- median loan debt from federal loans
- median loan debt from private educational loans and institutional financing plans
- on-time graduation rate for students completing the program
- types of employment obtained by program completers

KEEP IN MIND

By definition, these programs are designed to prepare students for gainful employment in a recognized occupation.



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