

## COLLEGE AFFORDABILITY

# STUDENTS OFTEN OVERESTIMATE THE PRICE OF COLLEGE

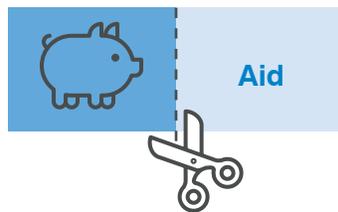


of ninth graders overestimated public tuition and fees by more than 25 percent.<sup>1</sup>

### Sticker Price



### Actual Price



Most students don't pay the sticker price. Sticker price is the published tuition price, whereas net price is the amount a student actually pays to attend an institution after subtracting federal, state, and institutional grant aid that doesn't need to be repaid. The difference between the published price and the actual price a student pays can be significant and varies by institution type.

### Know the Facts

- Grant aid and tax benefits lower the overall price of education for students and families, making the net price of college less than the published price.
- Some colleges with the highest sticker prices offer low-income students the lowest net price. How?! They offer more grant aid based on financial need.
- Education loans don't lower the price, but they do make it possible to spread payments out over time.<sup>2</sup>
- Despite lots of high-profile examples, few students borrow eye-popping amounts to pay for their undergraduate education. Much of the high-dollar borrowing comes from people earning advanced degrees.<sup>3</sup> In 2016–17, bachelor's degree recipients from public and private nonprofit institutions who borrowed graduated with an average debt of \$28,500.<sup>4</sup>
- While students and families should pay attention to borrowing and repayment concerns, they shouldn't necessarily steer clear from borrowing altogether. A moderate amount of student debt for the successful student could represent a good investment that pays off over a lifetime, not a burden that seriously limits life choices.<sup>5</sup>



*About 36 percent of students at four-year public universities finished their bachelor's degree without any debt, and 79 percent graduated with less than \$30,000 in debt."*

—APLU Public Universities fact sheet

<sup>1</sup> *What high schoolers and their parents know about public 4-year tuition and fees in their state.* (2018). National Center for Education Statistics.  
<sup>2</sup> *Trends in student aid.* (2017). CollegeBoard.  
<sup>3</sup> Baum, S. (2017). What colleges should know about students' borrowing patterns. *The Chronicle of Higher Education*. <https://www.chronicle.com/article/What-Colleges-Should-Know/239397>  
<sup>4</sup> *Trends in student aid.* (2018). CollegeBoard.  
<sup>5</sup> Baum, S. (2017). What colleges should know about students' borrowing patterns. *The Chronicle of Higher Education*. <https://www.chronicle.com/article/What-Colleges-Should-Know/239397>