



NEWS RELEASE
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Early Look at College Net Price Calculators Finds Mixed Results

New report casts light on how soon-to-be-required calculators can best help students and families estimate college costs

By the end of October, U.S. colleges must meet a federal requirement to create online “net price calculators.” These calculators are intended to help prospective students and their families gauge college affordability, providing early individualized estimates of what particular colleges will cost them *after* grants and scholarships.

The Institute for College Access & Success (TICAS) took an early look at how colleges are approaching this requirement and found mixed results for how easy the calculators were to find, use, and understand. The findings are detailed in a new report, *Adding It All Up: An Early Look at Net Price Calculators*, which includes examples of actual calculators and their strengths and limitations.

“Deciding whether and where to go to college is one of the most important financial decisions you can make, but sticker prices don’t tell you much about what you’ll have to save, borrow, or earn to go to a particular school,” said Lauren Asher, President of the Institute for College Access & Success. “Net price calculators have the potential to help students and families figure out which schools could be within reach long before they touch a college application. But to work as Congress intended, these calculators must be simple to find and use, with results that are easy to understand and compare.”

TICAS examined calculators posted by more than a dozen colleges before February of this year. The most user-friendly calculators were placed prominently on colleges’ websites, asked questions that most people could answer quickly and easily, and clearly conveyed and emphasized the estimated “net price” -- defined by Congress as the full cost of attendance minus grants and scholarships. However, other calculators were difficult to locate, required detailed information from users’ financial records, and presented confusing results that could make a college look deceptively affordable. Several calculators subtracted presumed student loans and

earnings from the net price to get to a much lower figure, sometimes as low as zero, and some visually emphasized that number instead.

The analysis also raised questions about the privacy and security of the information these calculators are allowed to collect from students and their families. Few of the calculators explained how users' information would be protected or whether it would be shared.

“We found a lot of variation: some calculators were on web pages clearly aimed at prospective students, while others took much more digging to find. Some highlighted the required “net price” figure, while others played it down. And some asked as few as 10 questions, while others required answers to more than 40,” said the report’s author, Diane Cheng. “Asking dozens of questions may lead to a more precise net price estimate, but it can discourage students from finishing the process and getting any estimate at all.”

TICAS’ report also offers a series of recommendations for making net price calculators as helpful as possible for students and their families as they weigh important decisions about going to college and how to pay for it. The recommendations for colleges include:

- Make net price calculators easy to find on their websites, with prominent links on web pages that prospective students and families are most likely to visit.
- Make it easy for users to get and view net price estimates by limiting the number of required questions, clearly marking which ones are required, and keeping them simple.
- Make calculator results easy to understand and compare by emphasizing the required “net price” figure (the full cost of attendance minus grants and scholarships), not what’s left after subtracting work-study and loans. Also, clearly distinguish between grants, work-study, and loans, as well as types of loans, which can carry very different risks and costs.
- Make it clear that submitting personal contact information is optional, protect users’ privacy, and inform them about who owns and has access to their information.

Adding It All Up: An Early Look at Net Price Calculators is available online and free of charge at http://ticas.org/files/pub//adding_it_all_up.pdf.

Cheng is scheduled to present the report findings at an Advisory Committee on Student Financial Assistance hearing on net price calculators on March 17 in Washington, DC.

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An independent, nonprofit organization, the Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research, analysis, and advocacy, TICAS aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society. For more about our work, see <http://ticas.org>.