

# Introduction

For the sixth year in a row, *Trends in College Pricing* reports average one-year tuition and fee increases below 4% in the public four-year and two-year sectors and at private nonprofit four-year colleges and universities, before adjusting for inflation.

Price changes over time are most meaningful when adjusted for inflation. Between 2008-09 and 2013-14, as higher education struggled along with the rest of the economy, published tuition and fees rose by 14% after adjusting for inflation at private nonprofit four-year institutions and by almost 30% in the public two-year and four-year sectors. Over the five years ending in 2018-19, the largest increase was 10% from \$32,500 (in 2018 dollars) in 2013-14 to \$35,830 in the private nonprofit sector. Between 2013-14 and 2018-19, average tuition and fees rose by 7%, from \$9,590 to \$10,230 at public four-year colleges and universities, and by 5%, from \$3,500 to \$3,660, at public two-year colleges.

As always, *Trends in College Pricing 2018* also reports on changes in net prices, combining the information on published prices with data on financial aid from *Trends in Student Aid 2018*. During the recession, when published prices were rising rapidly, dramatic increases in financial aid—particularly federal Pell Grants and tax credits—led to declines in the average prices students actually paid. But after increasing by more than 60% between 2007-08 and 2010-11, total grant aid for undergraduate students has grown slowly, rising by only 6% between 2010-11 and 2017-18. As a result, net prices have been rising, putting additional financial stress on students and families, among whom incomes continue to rise slowly.

In addition to information on tuition and fees and family incomes, *Trends in College Pricing 2018* provides detailed data about room and board and other nontuition expenses in student budgets, variation in prices and their rates of change across states and institution types, and the length of time students take to complete their degrees. Although the report does not include analysis of the causes of changes in tuition prices, it does include information that can provide insight into the forces underlying increases in the prices students pay for college. Relevant factors include changes in enrollments and state funding levels, the composition of institutional expenditures and revenues, and the distribution of endowment resources across institutions.

## PUBLISHED PRICES FOR ONE YEAR OF FULL-TIME STUDY

The prices reported in *Trends in College Pricing* are for one year of full-time study. Many students enroll part time, and prorating these prices does not always give an accurate picture of the published prices that students face, much less of the net prices generated by the grant assistance and tax benefits they receive.

An accurate picture of the financial investment needed for a college education requires a focus on the total price of earning a degree, not just the price of one year of college. Among students who began their studies full time at a four-year institution for the first time in 2010,

41% had completed a bachelor's degree at their first institution after four years and 60% had completed a degree after six years (NCES, *Digest of Education Statistics 2017*, Table 326.10). Relying on data from the National Student Clearinghouse, *Trends in College Pricing 2018* reports that students who completed bachelor's degrees in 2014-15 were enrolled for an average of 5.1 full-time academic years and those who completed associate degrees were enrolled for an average of 3.3 years. Whether pursuing two- or four-year degrees, students who attend multiple institutions before graduating take longer to complete their studies.

Taking more than two years to earn an associate degree or more than four years to earn a bachelor's degree has other financial implications beyond tuition and fee expenses. Forgone earnings from reduced participation in the labor force are the largest portion of the cost of college for most students. The more quickly students earn their degrees, the more time they have to earn college-level wages and reap the financial benefits of postsecondary education. Bachelor's degree recipients age 25 to 34 had median earnings 65% (\$18,630) higher than those with high school diplomas in 2017 (U.S. Census Bureau, 2017 Income Data, Table PINC-03).

## TUITION AND FEES VERSUS TOTAL CHARGES

In addition to tuition and fees, we report room and board charges for residential students, living costs for commuter students, and other components of student budgets. Whether students live on or off campus, they must pay for housing and food, buy books and supplies, and cover transportation and other basic living costs. Many of these expenses are not really additional costs associated with attending college, but are expenses people face whether or not they are in school. It is very difficult to succeed in college while working full time. However, the cost of students' time is difficult to measure, and we make no attempt to do so in this report. Because students tend to think of living expenses as part of the cost of going to college, and because they must come up with the funds to cover these outlays, it is useful to use these expenses as a proxy for forgone earnings. The cost of living poses a significant hurdle for many students. Even those who receive grant aid sufficient to cover tuition and fee charges may struggle to meet living expenses.

The estimates of average net prices included in *Trends in College Pricing* include both tuition and fees as well as tuition and fees and room and board combined. On average, grant aid and tax benefits cover all of the tuition and fees for public two-year college students. Still, the average full-time student in this sector has to cover almost \$8,300 per year in nontuition expenses. That amount averages almost \$15,000 for public four-year college undergraduates and about \$27,300 for those enrolled in private nonprofit four-year colleges and universities.

There is considerable variation, not only in the published and net tuition and fee prices students face, but also in the nontuition components of student budgets. One-third of undergraduate students live on campus, 44% live in off-campus housing, and one quarter live with their parents. Moreover, there is considerable variation in nontuition

budgets even among students with the same living arrangement in the same postsecondary sector.

## **DISTRIBUTIONAL ISSUES**

Because of the variation in tuition and fees and other budget components, it is difficult to predict the financial circumstances of individual students based on the data in the Trends reports. However, as data from the 2016 National Postsecondary Student Aid Study included in this report confirm, students from low-income families pay, on average, much lower net prices than those from more affluent families. Despite the fact that some student aid at the federal, state, and institutional levels is based on criteria other than financial circumstances, most of the dollars are distributed at least in part to meet financial need and provide greater support to students with more limited resources.

Focusing on the distribution of financial aid and the resulting net prices is critical for assessing barriers to college access and success. Rising college prices create large hurdles for some students, while others are able to finance their education without significant hardship.

## **INTERPRETING THE DATA**

### *Measuring Tuition*

A growing number of institutions charge different prices for different years of study and/or for different academic majors. In other words, many students on a campus may face published prices quite different from those reported by institutions in the College Board's Annual Survey of Colleges. Even more fundamental, the lines between sectors are increasingly blurry as more two-year colleges offer some four-year degrees. For these reasons, the average published prices for each sector that *Trends in College Pricing 2018* reports are not precise measures.

*Trends in College Pricing 2018* presents detailed pricing data for public two-year and four-year colleges and private nonprofit four-year colleges and universities. We report average tuition and fees in the for-profit sector from federal data.

### *Price Changes*

While the information reported here provides a best approximation of trends in college charges over time, we caution readers about placing too much reliance on either precise dollar amounts or annual percentage changes. Each year we revise the average prices calculated the previous year to account for revised data we receive from institutions and for changes in enrollment patterns. Details relating to our methodology and data reliability can be found at the end of the report in Notes and Sources.

*The tables supporting all of the graphs in the Trends publications, PDF versions of the publications, PowerPoint files containing individual slides for all of the graphs, and other detailed data on student aid and college pricing are available at [trends.collegeboard.org](http://trends.collegeboard.org). Please feel free to cite or reproduce the data in Trends for noncommercial purposes with proper attribution.*