

Net Price



What's the history?

Net price data were added to IPEDS following the passage of the Higher Education Act (HEA), as amended (2008), which called for an increase of information available to consumers. HEA (2008) requires Title IV institutions to publish on their website a Net Price Calculator tool (https://nces.ed.gov/ipeds/section/net_price_calculator) to generate an individualized net price for students.

Collection of net price data in the IPEDS Student Financial Aid survey component began in the 2009–10 data collection, with institutions reporting information on students who were awarded aid for the three prior academic years. Thus, net price calculations are available beginning with the 2006–07 academic year.

Where is it published?

- **IPEDS Use the Data page:** <https://nces.ed.gov/ipeds/use-the-data/>
- **College Navigator:** <https://nces.ed.gov/collegenavigator/>
- **College Affordability and Transparency lists:** <http://collegecost.ed.gov/>
- **College Scorecard:** <https://collegescorecard.ed.gov/>

Visit the **IPEDS Net Price FAQ** page at <https://go.usa.gov/xPy7C> for more information.

Introduction

Net price is the estimated out-of-pocket cost of students and their families to attend college, after accounting for financial aid that doesn't need to be repaid. Net price differs from the total cost of attendance—or the “sticker price”—which is the estimated price before financial aid is considered.

How IPEDS calculates net price¹



AVERAGE COST OF ATTENDANCE	AVERAGE GRANT AID ³ AWARDED	AVERAGE NET PRICE
Components of cost: <ul style="list-style-type: none"> • Tuition • Fees • Books and supplies • Room and board • Other costs² 	Sources of aid that reduce cost: <ul style="list-style-type: none"> • Federal grants • State grants • Local grants • Institutional grants 	Sources for out-of-pocket expenses: <ul style="list-style-type: none"> • Family contribution • Federal loans • Private loans • Private grants • Work-study

When using the IPEDS net price data, note differences in calculations due to the students included and the institution's calendar year system (detailed in subsequent sections of the brochure).

Which student groups is net price calculated for?

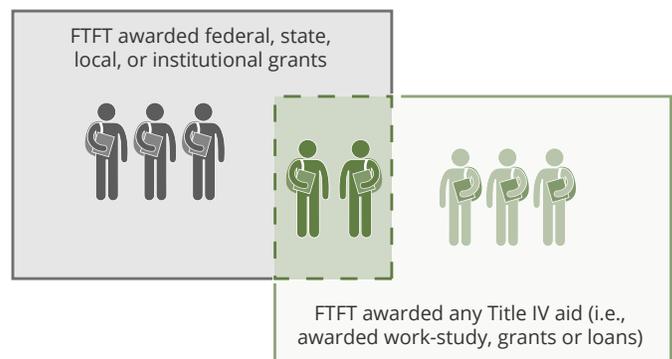
As mandated by HEA (2008), IPEDS calculates net price for two groups of full-time, first-time undergraduates (FTFT) awarded aid (see figure).

For the group awarded any Title IV aid, net price can be calculated by income category.

Furthermore, HEA (2008)

mandated that net price at public institutions is calculated for “residents of the state in which the institution is located.” Thus, only FTFT students paying the in-state or in-district tuition rates are included in the calculations at public institutions.

Net price is calculated for two student groups⁴



¹ All references to net price, as calculated by IPEDS, refer to the average net price.

² Other costs may include expenses such as laundry, transportation, and/or entertainment.

³ All references to “grants” or “grant aid” in this brochure include grants and scholarship aid.

⁴ FTFT awarded Title IV federal grants belong to both groups.

How is net price different based on the institution's calendar year system?

Institutions that complete IPEDS operate on three distinct types of calendar year systems: academic, program, or hybrid. These calendar year systems determine how institutions report the cost of attendance, financial aid, and student groups that factor into the calculation of net price.



CALENDAR YEAR TYPE	AVERAGE COST OF ATTENDANCE	AVERAGE GRANT AID AWARDED
Academic calendar year institutions enroll students on a traditional academic calendar year schedule (e.g., 4-year university)	Calculated for the academic year (September to June)	Based on aid awarded to students enrolled as of October 15 or the institution's fall reporting date
Program calendar year institutions enroll students on a continuous basis or at specific times depending on program length (e.g., cosmetology school)	Calculated for the largest program's ⁵ institutionally defined academic year (which runs from July to the following June)	Based on aid awarded to students enrolled in the largest program's institutionally defined academic year (which runs from July to the following June)
Hybrid calendar year institutions enroll students on a continuous basis but have term-based charges for their programs (e.g., culinary school)	Calculated for the academic year (September to June)	Based on aid awarded to students enrolled from August to October

What are the limitations of net price?

The IPEDS net price is a high-level metric meant to provide consumer information on the average out-of-pocket expenses for attending an institution. It is a tool for comparing colleges. **It does NOT:**

- capture cost differences by fields of study;
- capture the total expected price for a degree/program (e.g., it only considers the first-time student's freshman year);
- provide separate average costs based on living arrangements (e.g., on-campus; off-campus, etc.);
- include part-time, transfer, or graduate students in the calculation;
- include students paying the out-of-state tuition rates at public institutions; or
- include students that are awarded zero aid in the average grant aid calculation.⁶

⁵ The institution's largest program is the one with the largest enrollment.

⁶ Depending on the student group for which net price is calculated, the average grant aid either excludes students awarded zero government/institutional grants or awarded zero Title IV aid.



Contacts



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For press inquiries:
U.S. Department of Education Press Office
 202-401-1576
press@ed.gov



For survey component specific questions:
IPEDS Staff
<https://nces.ed.gov/ipeds/staff-page>