



## MEMORANDUM

**TO:** Reporters, editors, producers and columnists covering colleges' online *Net Price Calculators* – which become mandatory October 29

**FROM:** Lauren Asher, President, The Institute for College Access & Success

**Re:** Recommendations and reasons for making net price calculators easy to use and find

By October 29, all U.S. colleges must meet a federal requirement to post “net price calculators” on their websites. These calculators can help prospective students and their families gauge college affordability by providing early individualized estimates of what specific colleges will cost them after grants and scholarships. Net price calculators can help students look past “sticker price” and discover that their dream school may be more (or less) affordable than they thought – before it is too late and most of their college decisions have already been made.

Unfortunately, although some colleges are developing calculators that are easy to use and find, others have a long way to go. The Institute for College Access & Success (TICAS) has found net price calculators that are buried in obscure parts of college websites, require extensive and detailed financial information like parents' itemized tax deductions, and/or give highly misleading impressions of affordability. Making net price calculators hard to find, use and understand undermines the purpose of the federal requirement: to help prospective college students and their families get a sense of which colleges are likely within their financial reach *before* they have to decide where to apply.

To best serve the needs of students and their families, colleges should:

- 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 – not just on an obscure “Consumer Information” section.
- Make the calculators **easy to use** by limiting the number of required questions, clearly marking which ones are required, and keeping them simple.
- Make the results **easy to understand and compare** by emphasizing the required “net price” figure (the college's full cost of attendance minus grants and scholarships), *not* the lower number that is left after subtracting work-study and loans. Also, clearly distinguish between grants, work-study, and loans, as well as types of loans, which 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.

Some institutions have chosen complicated net price calculators that require students to answer upwards of 50 questions and dig up detailed financial records, such as past tax returns. But asking for a lot of hard-to-find information can discourage prospective students – especially those least familiar with the college process – from ever getting a result. Net price calculators are intended to provide *early estimates* to guide students' and parents' decision-making, and colleges should not sacrifice ease of use by trying to replicate their entire financial aid process.

Some calculators can also be misleading, subtracting large amounts of presumed student earnings and loans from the “net price” and highlighting a cost figure as low as zero, rather than the net cost. This tactic promotes an illusion of affordability and can easily lead students and their families to believe that they will have no out-of-pocket costs, when the costs are merely delayed.

More information about net price calculators, including TICAS' findings and recommendations, are available in a report the organization published this spring, [\*Adding It All Up: An Early Look at Net Price Calculators\*](#).

If you are interested in speaking with me or the report's author, Diane Cheng, about net price calculators, please contact Gretchen Wright at 202/371-1999 or [gretchen@prsolutionsdc.com](mailto:gretchen@prsolutionsdc.com).

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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>.*