

Tips for Using “Net Price Calculators”

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Since October 29, 2011, almost all U.S. colleges and universities are required to have “net price calculators” on their websites. These calculators can make it much easier to start figuring out which colleges you might be able to afford. They provide early, individualized estimates of what a specific college will cost *after* grants and scholarships: the net price is what you might have to earn, save, or borrow to go to that school. These new tools can help you move beyond often scary “sticker prices” and discover that your dream school may be more (or less) affordable than you thought - *before* you have to decide where to apply.

Here’s how you can make the most of net price calculators:

Finding them on the college website (they won’t always be in the same place)

- Some calculators are easier to find than others. A few are posted on the college’s homepage, but most are in the Financial Aid section, which is sometimes under Admissions. Otherwise, try looking in Consumer Information or Disclosures, or search for the calculator within the site or by using an outside search engine like Google.
- It’s not always called a “net price calculator,” so also keep an eye out for the keywords “cost,” “estimator,” and “financial aid.”
- The Department of Education has posted net price calculator URLs, as provided by colleges, on its College Navigator tool (<http://nces.ed.gov/collegenavigator>) under “Net Price,” as well as on its resource page (http://nces.ed.gov/ipeds/resource/net_price_calculator.asp#InstitutionsNPCWebAddresses).

Answering the questions

- Be prepared to encounter all kinds of calculators, from the simple (as few as 10 questions) to the complex (50 or more). Some calculators ask questions that require you to dig up detailed financial information from your (or your parents’) tax returns, earnings statements, and bank statements. If you don’t have that information handy, answer as best you can or try to skip the question.
- Colleges cannot require you to provide your contact information. If you aren’t comfortable giving them your name, email address, or other information, you don’t have to.

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Interpreting the results

- The most important number on the page is the “net price” – the full cost of attendance minus grants and scholarships. Make sure you focus on that dollar figure when interpreting calculator results and comparing colleges. Some colleges also subtract their expectations of how much you’ll earn and borrow to get a smaller cost figure, but it won’t be called “net price.”

Remember that grants and scholarships don’t need to be repaid, while work expectations must be earned and loans repaid with interest. That’s why work-study and loans are called “self-help.” You don’t want to accidentally compare one school’s net price with another school’s figure that includes loans and work-study.

- Be wary of estimates that include unrealistic amounts of self-help. We have found calculators that subtract \$20,000 or \$30,000 worth of expected loans to get to what might be called a “final” or “out of pocket” cost figure of zero. This can make colleges look more affordable than they really are. It may look like you will have no out-of-pocket costs, but the costs are just delayed.
- The results are only estimates and colleges can calculate them differently, so use them to make ballpark comparisons between colleges. Don’t draw conclusions based on differences of several dollars or even several hundreds of dollars – talk to the schools’ financial aid offices to find out more.
- The estimates are only for your first year of college and apply to a particular academic year (e.g., 2011-12). If you expect to enter college at a later date, know that the college’s costs and financial aid policies may change.
- Not all grants and scholarships are available for all years of college. You can contact the college’s financial aid office (or try searching its website) to find out whether you can expect the same amount of grant assistance after your first year.
- As all net price calculators are required to tell you, the estimates are not final or binding financial aid awards. To get an actual aid offer, you have to apply to the school for admission *and* fill out the FAFSA (Free Application for Federal Student Aid, <http://www.fafsa.ed.gov/>) to qualify for federal financial aid, and you may have to fill other applications for aid from your state or college. Net price calculators can help you decide whether to take those next steps.

For more information about net price calculators, please visit our **Net Price Calculator Publications and Resources Page**: http://ticas.org/NPC_resources.vp.html.