

TRENDS IN College Pricing

TRENDS IN HIGHER EDUCATION SERIES



Highlights

Published Tuition and Fee and Room and Board Charges

Published tuition and fees constitute 67% of the total budget for students enrolled in private four-year colleges, but only 36% for in-state students in public four-year colleges and 17% for public two-year college students.

- Average published tuition and fees for in-state students at public four-year colleges and universities in 2008-09 are \$6,585, \$394 (6.4%) higher than in 2007-08. Average total charges, including tuition and fees and room and board, are \$14,333, 5.7% higher than a year earlier.
- Average published tuition and fees for out-of-state students at public four-year institutions in 2008-09 are \$17,452, \$866 (5.2%) higher than in 2007-08. Average total charges are \$25,200, up 5.2%.
- Average published tuition and fees at public two-year colleges in 2008-09 are \$2,402, \$108 (4.7%) higher than in 2007-08.
- Average published tuition and fees at private four-year colleges and universities in 2008-09 are \$25,143, \$1,398 (5.9%) higher than in 2007-08. Average total charges are \$34,132, 5.6% higher than a year earlier.
- Estimated average tuition and fees at for-profit institutions in 2008-09 are \$13,046, \$557 (4.5%) higher than in 2007-08.
- The Consumer Price Index increased by 5.6% between July 2007 and July 2008, so tuition and fees at public two-year colleges, at for-profit institutions, and for out-of-state students at public four-year institutions declined in constant dollars. Tuition and fees at private four-year institutions and for in-state students at public institutions are 0.3% and 0.7% higher, respectively.

Variation in Tuition and Fees

Average charges do not describe the circumstances of most college students. In addition to the fact that, as described below, many students pay less than the published price, there is considerable variation across institutions, even within sectors.

- In both the public and private sectors, undergraduate tuition and fees are highest at doctorate-granting universities. In 2008-09, average published tuition and fees for in-state students at public doctorate-granting universities are

\$7,307, compared to \$5,707 at public master's universities and \$5,604 at public baccalaureate colleges.

- Twenty-nine percent of full-time undergraduates in four-year colleges and universities are enrolled in institutions with published tuition and fee charges of less than \$6,000; 19% are enrolled in institutions with published charges of \$24,000 or higher.
- Average in-state public four-year tuition and fees range from \$5,412 in the South to \$8,602 in New England. The lowest-priced colleges are public two-year colleges in the West, with average tuition and fees of \$1,292; the highest-priced colleges are private four-year colleges in New England, with average tuition and fees of \$31,680.
- Sixteen percent of full-time students in public four-year institutions faced tuition and fee increases of less than 3% in 2008-09; 23% faced increases of 9% or more.

Long-Run Trends

Prices of public four-year colleges and universities rose somewhat more rapidly between 1998-99 and 2008-09 than in the preceding decade, but private four-year and public two-year prices rose more slowly than they had either from 1978-79 to 1988-89 or from 1988-89 to 1998-99.

- Over the past decade, published tuition and fees have risen at an average rate of 2.4% per year after inflation at private four-year colleges, compared to 2.9% in the preceding decade and 4.1% from 1978-79 to 1988-89.
- Over the past decade, published tuition and fees have risen at an average rate of 4.2% per year after inflation at public four-year institutions, compared to 4.1% in the preceding decade and 2.4% from 1978-79 to 1988-89.
- Over the past decade, published tuition and fees have risen at an average rate of 1.4% per year after inflation at public two-year colleges, compared to 3.5% in the preceding decade and 3.1% from 1978-79 to 1988-89.
- The proportion of high school graduates enrolled in college within a year after graduation grew from 49% in 1976 to 54% in 1986 and 65% in 1996. Between 1996 and 2006, the enrollment rate grew slowly to 66%.
- The proportion of all degrees that were awarded by for-profit institutions was 3% in 1995-96 and 7% in 2005-06.

What Students Actually Pay

The net price of college is defined as the published price less the average grant aid and tax benefits students receive.

- On average, full-time students receive about \$10,200 of grants and tax benefits in private four-year institutions, \$3,700 in public four-year institutions, and \$2,300 in public two-year colleges.
- Net price in public four-year colleges fell in constant dollars from 1993-94 to 2003-04, but has risen rapidly since.
- Net price in public two-year colleges fell in constant dollars during each five-year period from 1993-94 through 2008-09.
- Over the past decade, the inflation-adjusted increase in average net price at private four-year colleges was 22%, compared to a 27% increase in average published prices.
- The changing distribution of income has had a significant influence on the ability of families to pay for college. Between 1977 and 2007, average family income rose 3% (\$463 in constant 2007 dollars) for the poorest 20% of families, 22% (\$11,275) for the middle 20%, and 86% (\$146,650) for the wealthiest 5% of families.

Institutional Finances

Educational appropriations per student were \$6,773 in 2006-07, 2% higher than in 1996-97, but 4% lower in constant dollars than in 1986-87.

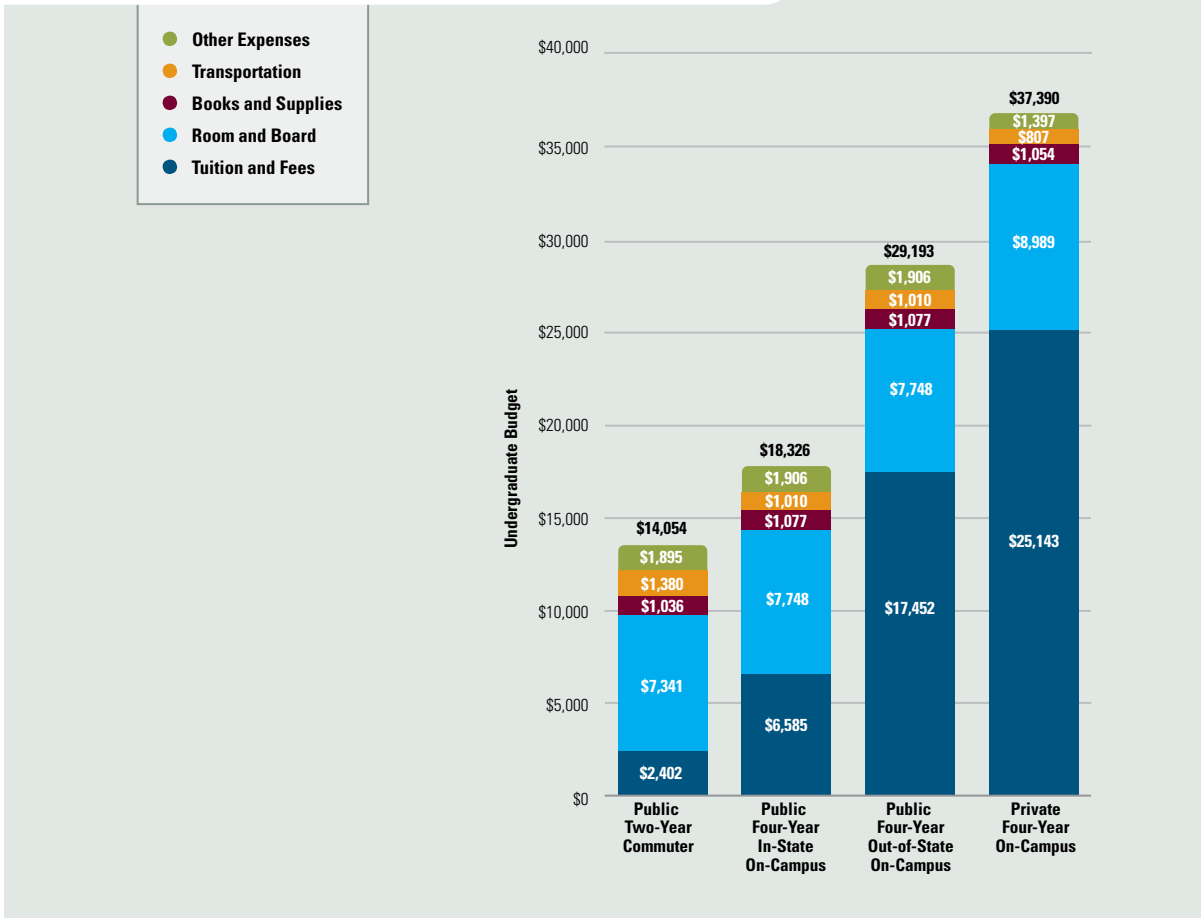
- Endowment wealth is highly concentrated among a small number of institutions in both the public and private sectors. Most of the endowment funds are held by doctorate-granting universities, rather than by master's and baccalaureate institutions.
- From 1995-96 to 2005-06, educational expenditures per student rose about 10% in constant dollars at public institutions, 50% at private doctorate-granting universities, and less than 40% at other private institutions.
- At both public and private institutions, even most students who pay the published prices receive a subsidy, paying less than the full cost of their education. The largest subsidies average about \$12,400 per year at private doctorate-granting institutions.

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Published tuition and fees constitute two-thirds of the total student budget for private four-year college students living on campus, but only 17% of total expenses for public two-year college students who live off campus but not with parents. Housing and food are the largest expenses for public two- and four-year college students.

Figure 1: Average Estimated Undergraduate Budgets, 2008-09 (Enrollment-Weighted)



Note: Expense categories are based on institutional budgets for students as reported by colleges and universities in the *Annual Survey of Colleges*. They do not necessarily reflect actual student expenditures.

Source: The College Board, *Annual Survey of Colleges*.

Introduction

Every year since 1998, the College Board has published a new edition of *Trends in College Pricing*, providing detailed updated information on prices for tuition and fees and room and board at colleges and universities in the United States, as well as other expenses postsecondary students incur. In addition, *Trends* includes information on enrollment patterns, other aspects of higher education finance, and the net prices students pay after taking grant aid into consideration. This 2008 edition continues that tradition in an expanded and innovative format. The revised and shortened print version of *Trends* is supplemented by a new Web site that makes detailed tables easily available for reference and downloading.

This print edition of *Trends in College Pricing* includes our standard table reporting on the change from the last academic year to the current year in the published prices at public four-year, public two-year, and private not-for-profit four-year colleges and universities. We also continue the recent innovation of including prices for out-of-state students at public four-year institutions and students at for-profit institutions. This year we report published prices separately for doctorate-granting, master's, and baccalaureate institutions. However, all other tables have been moved online, allowing the print edition to focus on easy-to-read graphics that illustrate and summarize much of the information in the detailed tables available on the Web site. The text accompanying the graphics provides insights into and highlights of the data depicted.

Trends in College Pricing reports on changes in published prices over time and on variation in those prices within sectors and across regions of the United States. This information is very important, but conclusions about how affordable college is must rest in addition on an understanding of changing levels and patterns of family incomes and of the financial return to higher education. Moreover, it is the net price that a student actually pays, not the published price charged by his or her institution, that determines the financial burden.

This year's innovations in *Trends in College Pricing* are paralleled by changes in its companion publication, *Trends in Student Aid*, which provides detailed up-to-date information on the sources, forms, and amounts of financial aid available to assist students and families paying for postsecondary education. Although the latest data available for *Trends in*

Student Aid are for the 2007-08 academic year, *Trends in College Pricing* includes information on published prices for the 2008-09 year.

Visit www.collegeboard.com/trends to access the online tables and graphs, along with additional commentary.

College Prices and Federal Legislation

College prices have become a subject of attention not only in state legislatures, but also in Congress. The reauthorization of the Higher Education Act signed into law in August 2008 contains new reporting requirements for colleges and universities relating to both published and net prices. According to the legislation, beginning in 2011, the Department of Education will publish lists of the 5% of institutions in each of nine categories that charge the highest tuition and fees, that have the highest average net price, and whose tuition and fees, both published and net, increase by the largest percentages over three years. These lists, along with those of the lowest-priced institutions, will be made public and institutions with the largest increases will be required to provide information about why they have raised their prices and how they plan to constrain future price increases. The federal government will also publish state-by-state information about funding for higher education, as well as tuition and fees and student aid at public colleges and universities.

The precise definition of net price that will be used is yet to be determined. However, the increasing focus on net price, as opposed to just published prices, is also reflected in the mandate that the Department of Education provide students with a tool to estimate what they will actually pay at individual institutions and that each institution provide such a calculator.

The College Board began publishing *Trends in Student Aid* in 1983, and *Trends in College Pricing* has been estimating net prices since 2003. The definition of net price on which we rely is the average price paid by all full-time students—including those who do and do not receive student aid. We report on the various sources of aid in *Trends in Student Aid* and subtract grant aid from all sources, in addition to federal tax credits and deductions, in calculating overall net price for *Trends in College Pricing*. Although it is generally the published prices that make

headlines, it is the net prices paid by individual students that matter most for college access and affordability.

How College Prices Are Changing

The published prices on which the analyses in *Trends in College Pricing* are based come from data reported by institutions on the College Board's *Annual Survey of Colleges*. This survey is distributed to about 3,500 postsecondary institutions across the country, collecting a wealth of data on enrollment, admissions, degrees and majors, tuition, financial aid, and other aspects of undergraduate education.

The data in this report confirm the widespread perception that published college prices are rising more rapidly than the prices of other goods and services. This is not a new phenomenon, but one that has persisted over the entire 30-year period documented here. Annual percentage increases in tuition and fees consistently receive most of the attention, but a number of other aspects of college pricing have a greater impact on access and affordability.

Average net prices have declined quite consistently at public two-year colleges, although increases in living costs have prevented those decreases in tuition and fees from being reflected in total costs of attendance. Average net tuition and fees at public four-year colleges and universities declined in inflation-adjusted dollars in the late 1990s and the early part of the current decade, but have been rising since.

Changes in average published prices or in average net prices do not necessarily describe the circumstances facing individual students. There is considerable variation in prices across sectors and across states and regions, as well as among institutions within these categories. College students in the United States have a wide variety of educational institutions from which to choose and these come with many different price tags. One of the problems many students face is how to make sense of all the options and complex pricing structures.

The scenario is even more complicated because of the wide variety of student aid programs and policies and because of changes over time in the distribution of student aid among students. A decline in the average net price at public four-year

colleges in a particular state or at an individual private institution should make education more affordable. But if at the same time grant aid migrates from low- and moderate-income students to wealthier student-athletes or merit scholars who have less financial need, more students will actually struggle to pay for college.

In considering the impact of price increases, it is accumulated patterns, not one-year changes, that determine current charges. Relatively low prices may rise rapidly in percentage terms without causing significant difficulties, while even freezing high prices does not put them within reach of the typical student. Current prices and dollar increases, not percentage increases, best measure the impact on students and families.

Moreover, tuition and fees tell only part of the story. For many students it is the additional costs associated with college attendance, including room and board, books, and other expenses, as well as forgone earnings, that present the greatest financial barriers.

Scope of the Report

This report contains information that can provide insight into the underlying causes of rising tuition and fee charges, but it does not attempt to provide a comprehensive explanation. A thorough analysis of this vital issue would require better data than those available to us on the expenditure patterns of colleges and universities over time, as well as careful empirical analysis of all of the contributing forces. It is clear that the efficiency of campus operations, changes in nontuition revenues, the prices of the goods and services educational institutions purchase, the nature and extent of the services and facilities provided, the academic preparation of the students who enroll, the level of demand for a particular institution, and competition among institutions all contribute to the rate of price increase. If college education is to become more affordable for more students, institutions will have to find ways to offer high-quality higher education in a more cost-effective manner and state and federal governments will have to improve their systems for supporting both postsecondary institutions and the students they educate.

Enrollment Patterns

Trends in College Pricing 2008 presents detailed data on public two-year and four-year and private not-for-profit four-year institutions for the 2008-09 academic year. Comparable information about the growing for-profit sector of postsecondary education, which enrolls about 7% of all undergraduate students, is not available. We do provide an estimate of the average charges at for-profit institutions, but because of the relatively small sample of those institutions from which we are able to collect data, it is important to interpret that information with extreme caution.

The tuition and fees and other charges reported in *Trends* apply to full-time undergraduate students. About 36% all undergraduates and about 61% of those attending public two-year colleges are enrolled part-time. Because of the variety of enrollment and pricing patterns, it is not possible to provide estimates of the charges facing these students that would be as accurate as the information we provide about full-time students. Data on full-time charges provide the best basis for comparison both over time and across sectors. Many institutions charge different prices depending on year or program of study, even for full-time students. The prices included in *Trends* represent best estimates of average prices for all full-time undergraduate students.

Another important aspect of estimating the price of a college education is that many students take longer than two years to earn an associate degree or longer than four years to earn a bachelor's degree. An accurate comparison of the price of one institution or type of institution to another involves incorporating the expected time to degree in addition to the annual price of attendance. The prices we report are prices for one academic year.

Tuition and Fees Versus Total Charges

Some of the graphs in this report focus only on tuition and fee charges, but we also report room and board charges for residential students, living costs for commuter students, and other components of student budgets. Because tuition and fees are relevant for all enrolled students, they are easiest to compare. However, whether students live on or off campus, they all must also pay for housing and food, buy books and

supplies, and cover transportation and other basic living costs. While some students are able to live with family, and not all living costs are attributable to attending school, the cost of living poses a significant hurdle to many students. Even those who receive grant aid sufficient to cover tuition and fee charges may struggle to cover living expenses. It is not so much the prices charged by institutions that create the burden for these students, but the very real costs students incur to support themselves and their families while they are in school. It is also important to remember that for many students, the largest component of the cost of being a student is actually the result of devoting time to schooling rather than to the labor market. Forgone earnings are not addressed in this report.

A Note on Trends Data

While the information reported here provides a best approximation of trends in college charges over time, we would caution readers about placing too much reliance on either precise dollar amounts or precise annual percentage changes. Each year we revise the average prices calculated the previous year to account for corrected data we receive from institutions and to provide an enrollment-weighted average based on the most recent available data on the number of full-time students attending each institution. If over time increasing numbers of students were to choose to enroll in the lower-priced institutions within a sector, our measure of the average price increase would be lower than if enrollment were stable. Details relating to our methodology and to other technical issues and data reliability can be found at the end of the report, in the Notes and Sources section.

We hope readers will find the new format of the *Trends* publications valuable. The tables supporting all of the graphs in this report, PDF versions of the publications, and PowerPoint files containing individual slides for all of the graphs, as well as state-by-state breakdowns and other detailed data on college prices, are available on our Web site at www.collegeboard.com/trends. Please feel free to cite or reproduce the data in *Trends* for noncommercial purposes with proper attribution.

Tuition and Fee and Room and Board Charges, 2008-09

In both the public and private sectors, tuition and fees are higher at doctorate-granting universities than at other types of institutions. In 2008-09, average published tuition and fees for in-state students at public doctorate-granting universities are \$7,307, compared to \$5,707 at public master's universities and \$5,604 at public baccalaureate colleges.

- In 2008-09, the \$6,585 average published tuition and fees for in-state students at public four-year institutions reflects a one-year increase of \$394, or 6.4%. For out-of-state students, the average \$17,452 is an increase of \$866, or 5.2%.
- About 17% of public college freshmen study out-of-state (*Digest of Education Statistics 2007*, Table 213), but many states have reciprocity agreements with neighboring states that allow students to pay less than the published prices.
- At private four-year colleges and universities, tuition and fees rose an average of \$1,398, or 5.9% in 2008-09.
- At public two-year colleges, average published tuition and fees rose \$108, to \$2,402 in 2008-09. The 4.7% increase was lower than the 5.6% increase in the Consumer Price Index.
- Community college prices in California, where 17% of full-time students in this sector are enrolled, are unusually low. The average published price of public two-year colleges outside of California is \$2,761 in 2008-09.
- For-profit institutions raised tuition and fees by an estimated 4.5%, or \$557, to \$13,046 in 2008-09. (Figures for this sector should be interpreted with caution, because they are based on only about 70% of the sector's enrollments.)

ALSO IMPORTANT

- The prices cited here are not representative of the prices students actually pay. Almost two-thirds of undergraduate students enrolled full-time receive grants that reduce the actual price of college. In addition, many states and institutions grant tuition waivers to groups of students such as dependents of employees, veterans, or teachers. See Figure 7 for estimates of net prices paid by students and *Trends in Student Aid 2008* for details about student aid.
- The total price of a college education depends on the number of terms of study for which a student is enrolled before completing a degree. Many students spend longer than four years earning bachelor's degrees.
- Part-time students pay lower tuition and fees than those reported here. In fall 2005, 61% of students enrolled in public two-year colleges were part-time, as were 21% of undergraduates in public four-year, 17% in private not-for-profit four-year, and 17% in for-profit institutions (*Digest of Education Statistics 2007*, Table 184).

Table 1a: Average Published Charges for Undergraduates by Type and Control of Institution, 2008-09 (Enrollment-Weighted)

Sector	Tuition and Fees				Room and Board				Total Charges			
	2008-09	2007-08	\$ Change	% Change	2008-09	2007-08	\$ Change	% Change	2008-09	2007-08	\$ Change	% Change
Public Two-Year	\$2,402	\$2,294	\$108	4.7%	—	—	—	—	—	—	—	—
Public Four-Year In-State	\$6,585	\$6,191	\$394	6.4%	\$7,748	\$7,367	\$381	5.2%	\$14,333	\$13,558	\$775	5.7%
Public Four-Year Out-of-State	\$17,452	\$16,586	\$866	5.2%	\$7,748	\$7,367	\$381	5.2%	\$25,200	\$23,953	\$1,247	5.2%
Private Not-for-Profit Four-Year	\$25,143	\$23,745	\$1,398	5.9%	\$8,989	\$8,581	\$408	4.8%	\$34,132	\$32,326	\$1,806	5.6%
For-Profit	\$13,046	\$12,489	\$557	4.5%	—	—	—	—	—	—	—	—

Table 1b: Average Published Charges for Undergraduates by Carnegie Classification, 2008-09 (Enrollment-Weighted)

Public Doctorate-Granting In-State	\$7,307	\$6,863	\$444	6.5%	\$8,170	\$7,760	\$410	5.3%	\$15,477	\$14,623	\$854	5.8%
Public Master's In-State	\$5,707	\$5,373	\$334	6.2%	\$7,041	\$6,705	\$336	5.0%	\$12,748	\$12,078	\$670	5.5%
Public Baccalaureate In-State	\$5,604	\$5,295	\$309	5.8%	\$7,403	\$7,063	\$340	4.8%	\$13,007	\$12,358	\$649	5.3%
Private Doctorate-Granting	\$31,066	\$29,432	\$1,634	5.6%	\$10,494	\$10,066	\$428	4.3%	\$41,560	\$39,498	\$2,062	5.2%
Private Master's	\$22,717	\$21,400	\$1,317	6.2%	\$8,713	\$8,305	\$408	4.9%	\$31,430	\$29,705	\$1,725	5.8%
Private Baccalaureate	\$23,054	\$21,759	\$1,295	6.0%	\$8,175	\$7,782	\$393	5.1%	\$31,229	\$29,541	\$1,688	5.7%

Enrollment-weighted tuition and fees are derived by weighting the price charged by each institution by the number of full-time students enrolled in 2007-08. Public four-year in-state charges are weighted by total 2007-08 full-time enrollment in each institution. Out-of-state tuition and fees are computed by adding the average in-state price to the out-of-state premium weighted by the number of full-time out-of-state students enrolled at each institution. Room and board charges are weighted by the number of students residing on campus.

— Sample too small to provide meaningful information.

Notes: Prices reported for 2007-08 in Table 1a have been revised and may differ from those reported in *Trends in College Pricing 2007*. See Notes and Sources on p. 19 for definitions of the institutional categories in Table 1b.

Source: The College Board, *Annual Survey of Colleges*.

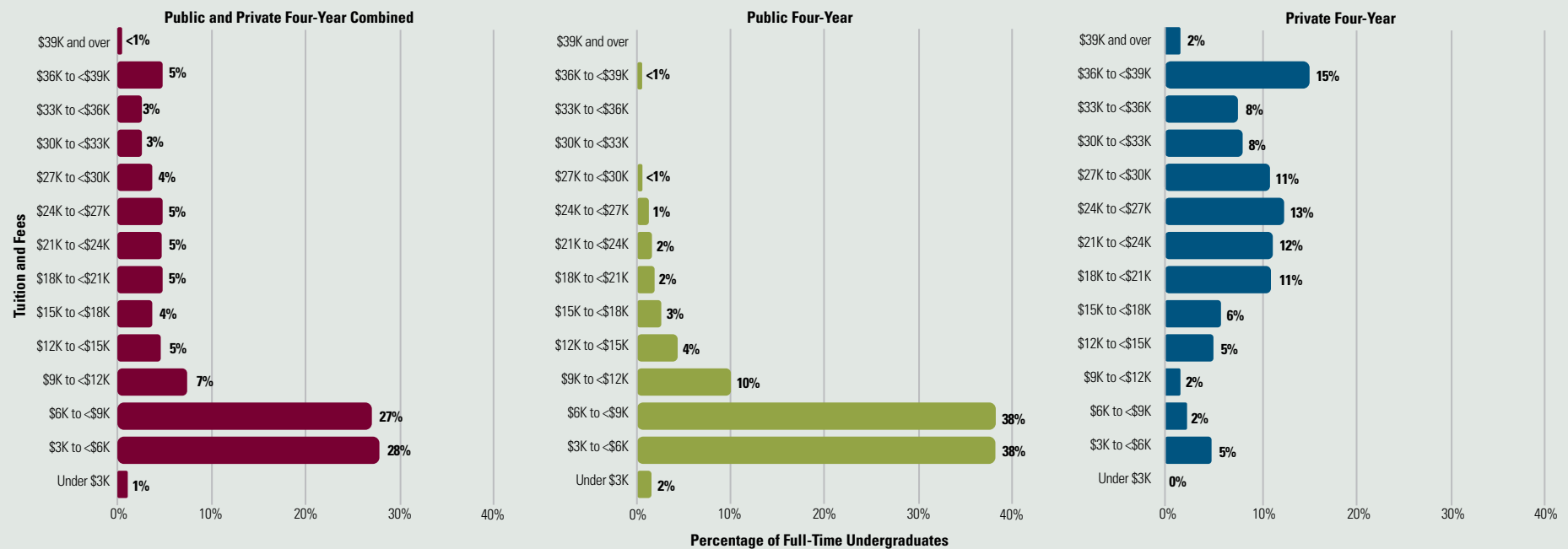
For detailed background data and additional information, please visit www.collegeboard.com/trends.

Variation in Tuition and Fees, 2008-09

About 29% of all full-time students attending four-year colleges are enrolled in institutions with published prices below \$6,000 per year. This includes 40% of public college students and 5% of private college students.

- About a quarter of full-time four-year college students are enrolled in institutions with published prices of \$21,000 per year or higher. These students attend either private institutions or public institutions outside their states of residence.
- 50% of full-time students at public four-year institutions, including both in-state and out-of-state students, are enrolled in institutions with published prices at or below \$6,614; the other half attend colleges and universities with tuition and fees at or above this level.
- 20% of full-time private college students are enrolled in institutions with published prices below \$18,000 and 25% are enrolled in institutions with published prices of \$33,000 or higher.

Figure 2: Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Published Tuition and Fees, 2008-09



Notes: For out-of-state students enrolled in public four-year colleges, the nonresident premium has been added to in-state tuition and fees. Some out-of-state students actually pay lower prices because of reciprocity agreements, which allow students from neighboring states to pay less than the full out-of-state price. The distribution of students across institutions is based on the latest available enrollment data, which are for 2007-08. Percentages may not sum to 100 due to rounding.

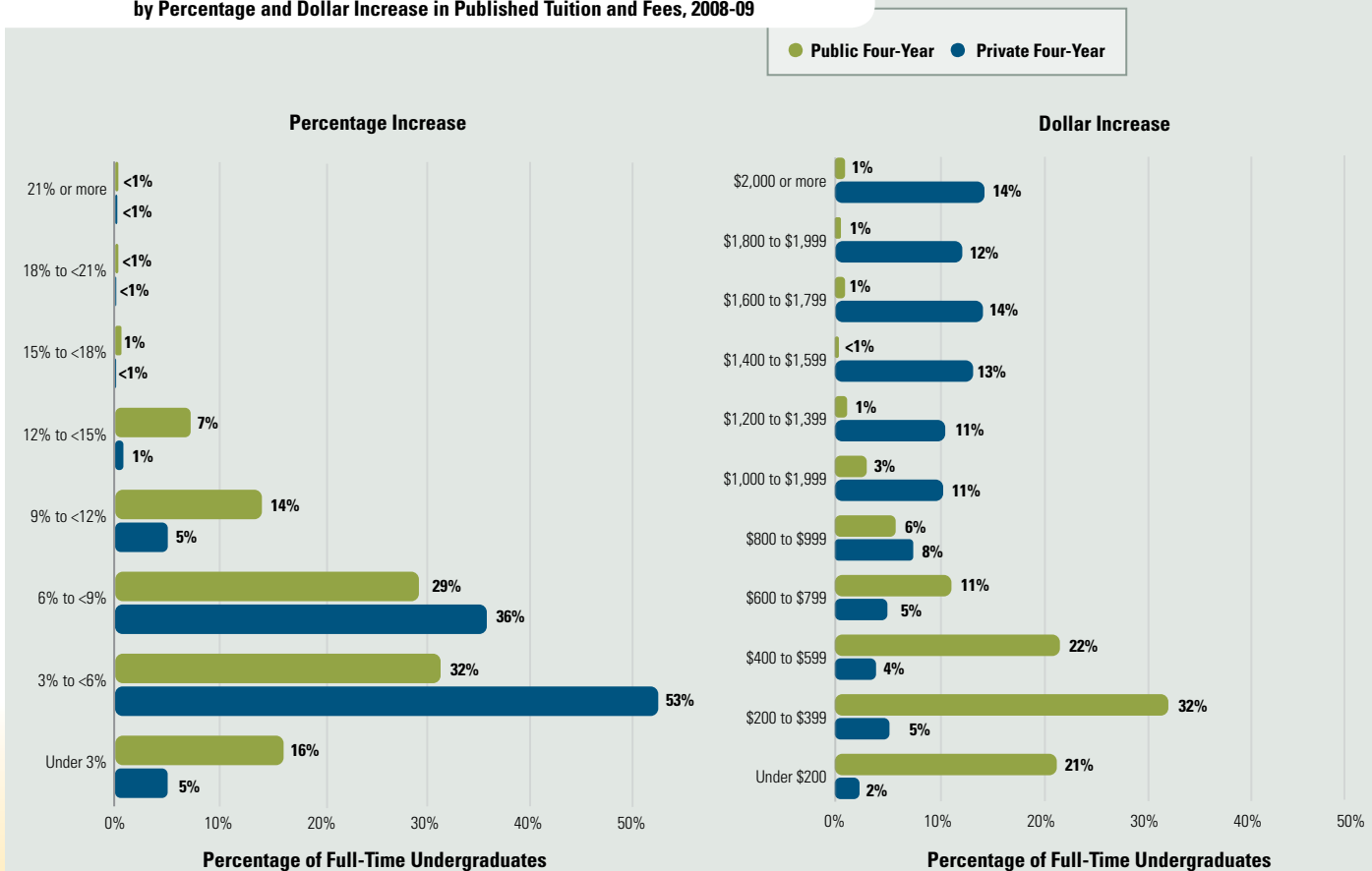
Source: The College Board, *Annual Survey of Colleges*.

Variation in Tuition and Fee Increases, 2008-09

Although the average increase in tuition and fees at public four-year colleges in 2008-09 was 6.4%, 48% of full-time students at public four-year colleges and universities attend institutions that increased their published prices by less than 6%.

- Although the 6.4% average increase in tuition and fees at public four-year colleges and universities in 2008-09 exceeded the 5.9% increase at private not-for-profit four-year institutions, the median increase in the published price facing public college students was about \$380, compared to \$1,464 for private college students.
- About one-fifth of full-time students at public four-year colleges attend institutions that increased their published prices by less than \$200, and about a quarter attend institutions that increased their published prices by more than \$600.
- About a quarter of full-time students at private four-year colleges attend institutions that increased their published prices by less than \$1,000 in 2008-09, and about a quarter attend institutions that increased their published prices by more than \$1,800.

Figure 3: Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Percentage and Dollar Increase in Published Tuition and Fees, 2008-09



ALSO IMPORTANT

- Increases in published prices do not necessarily correspond to increases in the amounts students pay, which also depend on the amounts of grant aid they receive.

Notes: For out-of-state students enrolled in public four-year colleges, the nonresident premium has been added to in-state tuition and fees. Some out-of-state students actually pay lower prices because of reciprocity agreements, which allow students from neighboring states to pay less than the full out-of-state price. The distribution of students across institutions is based on the latest available enrollment data, which are for 2007-08. Percentages may not sum to 100 due to rounding.

Source: The College Board, *Annual Survey of Colleges*.

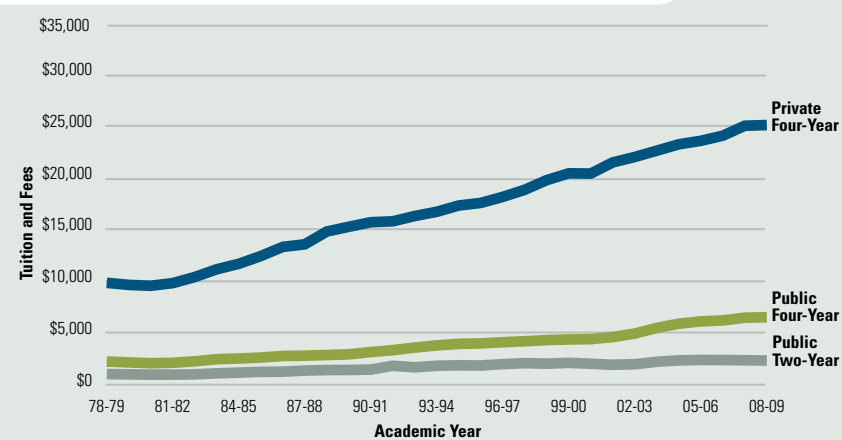
Tuition and Fee and Room and Board Charges over Time

The inflation-adjusted increases in tuition and fees in 2008-09 were less than 1% in all sectors. With a 5.6% increase in the Consumer Price Index from July 2007 to July 2008, average real tuition and fees rose 0.3% at private four-year institutions and 0.7% at public four-year colleges and universities. Average published tuition and fees declined by 0.8% at public two-year colleges.

- Average published tuition and fees at private four-year colleges increased at an annual rate of 2.4% in inflation-adjusted dollars over the decade from 1998-99 to 2008-09, a slower rate of growth than the 2.9% of the previous decade or the 4.1% from 1978-79 to 1988-89.
- Average published tuition and fees at public four-year colleges increased at an annual rate of 4.2% in inflation-adjusted dollars over the decade from 1998-99 to 2008-09, similar to the 4.1% of the previous decade but much more rapid than the 2.4% average annual increase from 1978-79 to 1988-89.
- Average published tuition and fees at public two-year colleges increased at an annual rate of 1.4% in inflation-adjusted dollars over the decade from 1998-99 to 2008-09, a much slower rate of growth than the 3.5% rate of the previous decade and the 3.1% average annual increase from 1978-79 to 1988-89.
- Room and board charges consistently grow at a slightly slower rate than tuition and fees. Over the decade from 1998-99 to 2008-09, total published charges (tuition and fees and room and board) grew at an average annual rate of 2.2% in private four-year colleges and 3.2% in public four-year colleges, after adjusting for inflation.

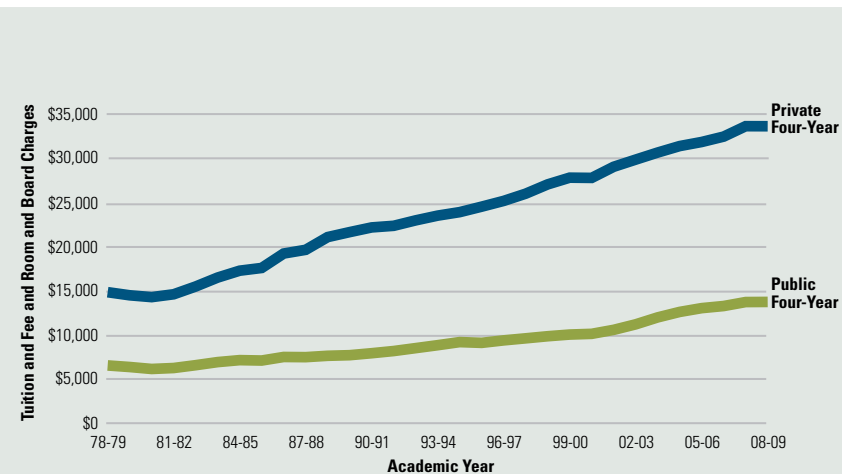
Sources: The College Board, *Annual Survey of Colleges*; National Center for Education Statistics (NCES), *Integrated Postsecondary Education Data System*.

Figure 4: Average Published Tuition and Fees in Constant (2008) Dollars, 1978-79 to 2008-09 (Enrollment-Weighted)



Tuition and Fees			
	Private Four-Year	Public Four-Year	Public Two-Year
78-79	\$9,903	\$2,303	\$1,095
88-89	\$14,857	\$2,929	\$1,483
98-99	\$19,825	\$4,376	\$2,095
08-09	\$25,143	\$6,585	\$2,402

Figure 5: Average Published Tuition and Fee and Room and Board (TFRB) Charges at Four-Year Institutions in Constant (2008) Dollars, 1978-79 to 2008-09 (Enrollment-Weighted)



TFRB		
	Private Four-Year	Public Four-Year
78-79	\$15,434	\$7,181
88-89	\$21,644	\$8,270
98-99	\$27,580	\$10,471
08-09	\$34,132	\$14,333

ALSO IMPORTANT

- In addition to tuition and fees and room and board, students' total cost of attendance includes the books and supplies, transportation, and other living expenses included in the student budgets reported in Figure 1.
- About 40% of full-time dependent students enrolled in public four-year institutions live on campus. Another 40% live in off-campus housing and about 20% live with their parents. Among dependent students at private four-year colleges, 64% live on campus, 19% live in off-campus housing, and 17% live with their parents. (*National Postsecondary Student Aid Study (NPSAS) 2004*)

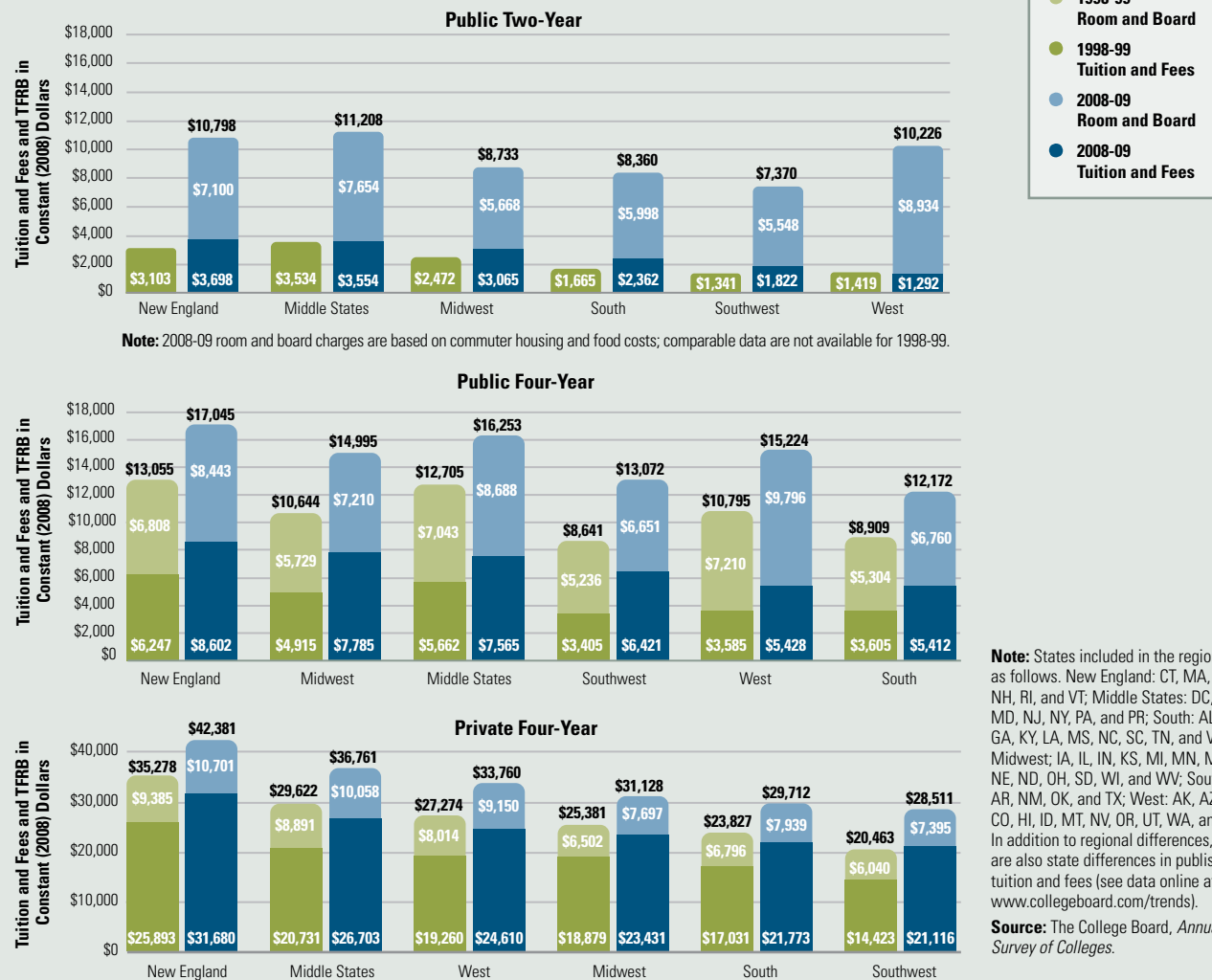
Regional Variation in Charges

Both published tuition and fee prices and the rates of change in those prices vary considerably across regions of the country. Between 1998-99 and 2008-09, the average price at public two-year colleges in the West declined by 9%, or \$127 (in constant 2008 dollars), while the average price in the South increased by 42%, or \$697.

- In public four-year institutions, the largest increase over the decade was 89% (\$3,016 in constant 2008 dollars) in the Southwest. The smallest dollar increase was \$1,807 (50%) in the South and the smallest percentage increase was 34% (\$1,903) in the Middle States region.
- When housing and food costs are also considered, relatively low tuition and fees do not necessarily correspond to low total costs of attendance. Despite their low tuition and fees, students at public two-year colleges in the West have higher total costs (before grant aid) than those in the South, the Southwest, and the Midwest.
- Published tuition and fees for public four-year institutions in the Midwest are second only to those in New England. However, relatively low room and board charges lead to total charges that are lower than those in all other regions except the South and the Southwest.

The green bars report 1998-99 prices and the blue bars report 2008-09 prices. In each bar, the darker segment corresponds to published tuition and fees and the lighter segment corresponds to room and board charges. The height of the entire bar reflects total TFRB charges. Regions are arranged in descending order of 2008-09 tuition and fees.

Figure 6: Tuition and Fee and Room and Board (TFRB) Charges by College Board Region and Sector, in Constant (2008) Dollars, 1998-99 and 2008-09 (Enrollment-Weighted)

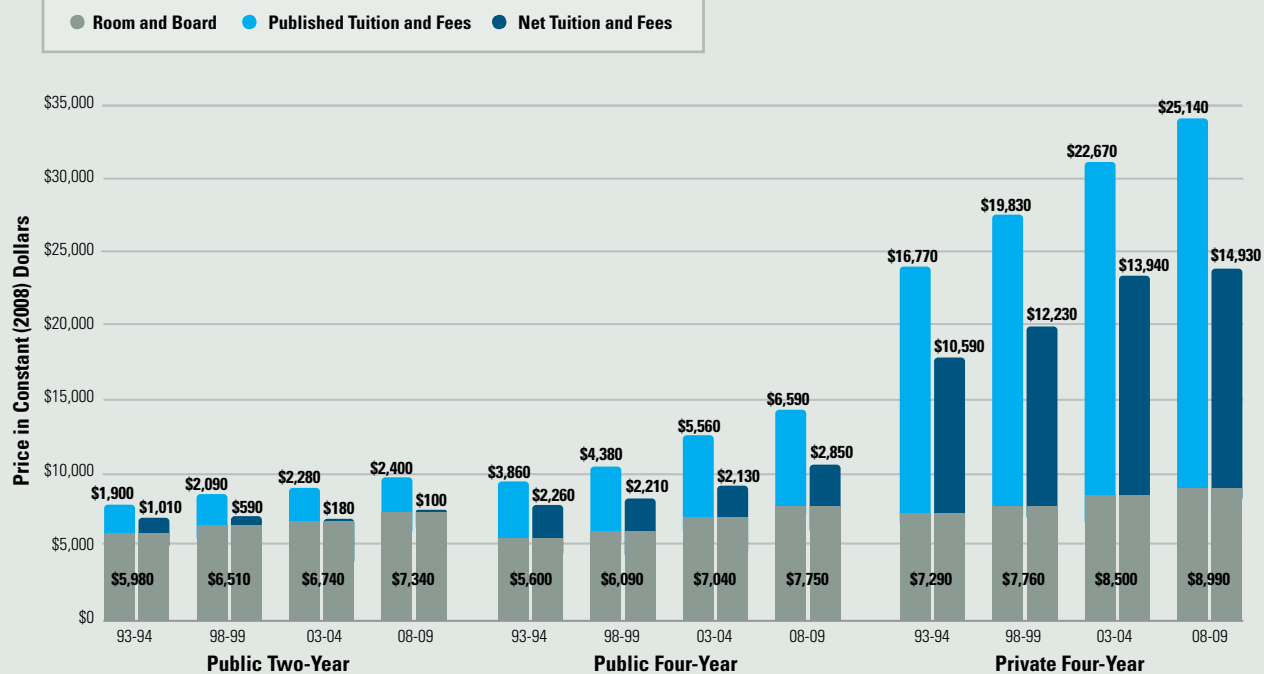


Net Price

Between 2003-04 and 2008-09, average net tuition and fees declined for public two-year colleges. Net price grew more slowly than published prices at private four-year institutions, but more rapidly than published prices at public four-year institutions.

- In 2008-09, full-time students at private four-year institutions receive an estimated average of \$10,200 in grant aid from all sources and federal tax benefits. This aid reduces the average net tuition and fees they pay from the published \$25,100 to about \$14,900.
- Full-time students at public four-year colleges and universities receive an estimated average of \$3,700 in grant aid from all sources and federal tax benefits. This aid reduces the average net tuition and fees they pay from the published \$6,600 to about \$2,900.
- Full-time students at public two-year colleges receive an estimated average of \$2,300 in grant aid from all sources and federal tax benefits. This aid reduces the average net tuition and fees they pay from the published \$2,400 to about \$100.
- All students also pay living costs. The net price estimates reported here attribute all of the grant aid and tax benefits to tuition and fees.
- Average grant aid per student and average net prices conceal significant differences among students. Increases in financial aid for lower-income students have a greater impact on college access and affordability than similar increases for higher-income students.

Figure 7: Published Tuition and Fees and Room and Board (TRFB) Compared to TRFB Net of Average Grant and Education Tax Benefits per Full-Time Undergraduate Student, in Constant (2008) Dollars, 1993-94, 1998-99, 2003-04 and 2008-09



ALSO IMPORTANT

- The federal Pell Grant program provides about half of the grants received by full-time students at public two-year colleges and a quarter of the grants received by full-time students at public four-year colleges, but only about 10% for students at private colleges.
- About 70% of the grant aid received by full-time students at private four-year colleges and universities is institutional grant aid. This aid constitutes a little over a third of grant aid for public four-year students and about 15% of grant aid for public two-year college students.

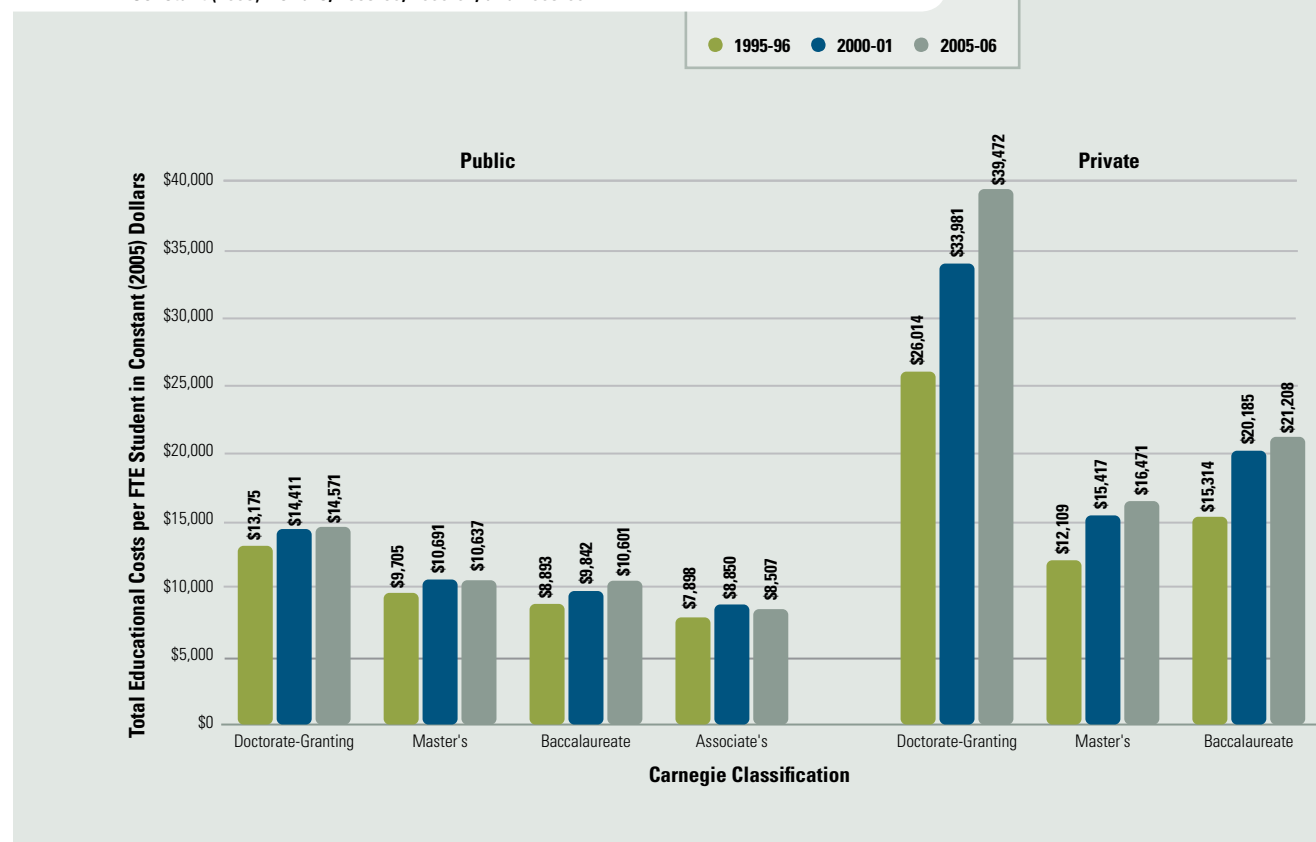
Notes: Net tuition and fees are calculated by subtracting estimated average grant aid plus tax benefits per full-time student in the sector from the published price. Aggregate aid amounts are from *Trends in Student Aid 2008*. Division of total aid across sectors and between full-time and part-time students is based on the *NPSAS*, 1993 through 2004.

Institutional Expenditures

The costs of educating students in public doctorate-granting universities, public master's universities, and public two-year colleges rose only about 10% in inflation-adjusted dollars over the decade from 1995-96 to 2005-06. Costs rose more rapidly in the relatively small number of public baccalaureate institutions.

- Over the decade from 1995-96 to 2005-06, educational costs per FTE student rose about 50% in inflation-adjusted dollars at private doctorate-granting universities and 36% to 38% at other private four-year institutions.
- Educational costs per FTE student averaged \$39,500 at private doctorate-granting universities in 2005-06, compared to \$14,600 at public doctorate-granting universities.
- Educational costs per FTE student averaged \$16,500 at private master's universities in 2005-06, compared to \$10,600 at public master's universities.
- Educational costs per FTE student averaged \$21,200 at private baccalaureate colleges in 2005-06, compared to \$10,600 at public baccalaureate colleges.
- At \$8,500 per FTE student in 2005-06, educational costs at public two-year colleges were lower than at other types of institutions. Costs in this sector rose 8% over the decade, more slowly than in other sectors.

Figure 8: Total Educational Costs per Full-Time Equivalent (FTE) Student by Carnegie Classification in Constant (2005) Dollars, 1995-96, 2000-01, and 2005-06



Note: Total educational costs include spending on instruction and student services, as well as the instructional share of spending on central academic and administrative support and operations and maintenance.

Source: The Delta Cost Project; calculations by the authors.

Institutional Revenues and Expenditures

Net tuition and fees cover an increasing proportion of total educational costs in public institutions and a decreasing proportion of total educational costs in private institutions. ■ Even students who do not receive institutional grant aid and pay the full published tuition price receive significant subsidies at most institutions.

- At public doctorate-granting and master's universities, tuition and fee revenues—not including the discounts students received from institutional funds—covered 49% of total educational costs in 2005-06, compared to 37% in 1995-96 and 2001-02.
- In 2005-06, tuition and fee revenues covered 30% of total educational costs at public two-year colleges, up from 25% a decade earlier.
- At private doctorate-granting universities, the proportion of total educational costs covered by net tuition revenues declined from 61% in 1995-96 to 52% in 2001-02 and 49% in 2005-06.
- Net tuition revenues covered 80% of total educational costs at private master's universities in 2005-06, down from 85% a decade earlier.
- Net tuition revenues covered 60% of total educational costs at private baccalaureate colleges in 2005-06, down from 69% a decade earlier.

Subsidy per full-pay student is the dollar amount of full educational cost per FTE student that is not covered by published tuition and fees per FTE.

Notes: Total educational costs include spending on instruction and student services, as well as the instructional share of spending on central academic and administrative support and operations and maintenance. Net tuition and fees equal gross tuition and fee revenue (including federal and state grants) less institutional grant aid (price discounts).

Source: The Delta Cost Project; calculations by the authors.

Figure 9a: Total Net Tuition and Fee Revenues as a Percentage of Total Educational Costs by Carnegie Classification, 1995-96, 2001-02, and 2005-06

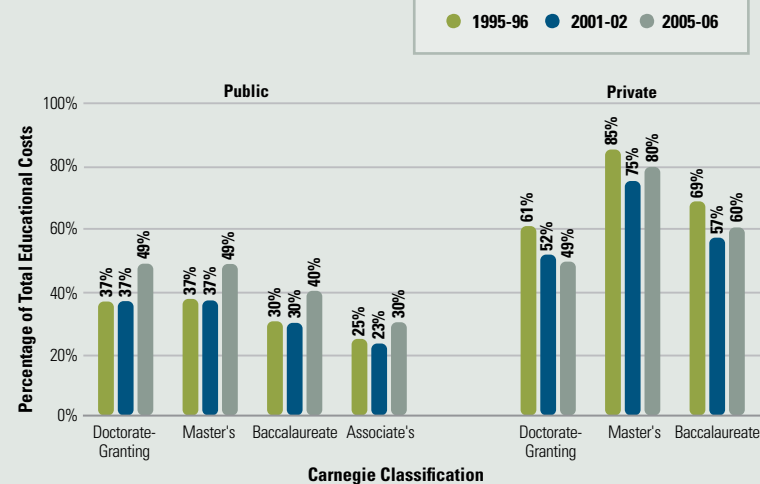
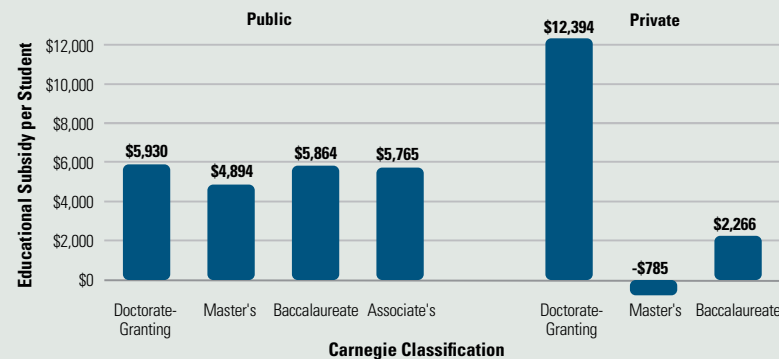


Figure 9b: Average Educational Subsidy per Full-Pay Student by Carnegie Classification, 2005-06



- The largest subsidies are at private doctorate-granting universities, where the published price averaged \$12,400 less than total educational costs per FTE student in 2005-06. Students in private baccalaureate colleges who paid the full published price received average subsidies of about \$2,300.
- In private master's universities, the published tuition price exceeded average educational costs per FTE student by about \$800 in 2005-06.
- Average subsidies per full-pay student in the public sector were just under \$6,000 in doctorate-granting, baccalaureate, and associate's institutions, and just under \$5,000 in master's institutions.

ALSO IMPORTANT

- For private institutions, the main sources of revenue other than tuition and fees are private gifts, investment returns, and endowment income, in addition to revenues from auxiliary enterprises (such as dormitories and dining halls) and hospitals.
- For public institutions, the main sources of revenue other than tuition and fees are state and local appropriations, in addition to revenues from auxiliary enterprises.

Institutional Revenues: Public Appropriations

After declining for four consecutive years, educational appropriations per full-time equivalent student increased in inflation-adjusted dollars in 2005-06 and 2006-07.

- The average appropriation of \$6,773 per student in 2006-07 reflects an increase from \$6,571 (in 2006 dollars) in 2005-06, but a decrease compared to a high of \$7,368 (in 2006 dollars) in 2000-01.
- Changes in public appropriations for higher education institutions are cyclical, with declines corresponding to a weak economy, and a strong economy generating more rapid growth. Increases in tuition and fees at public institutions tend to be smaller when growth in appropriations is more rapid.
- Over the decade from 1996-97 to 2006-07, total appropriations for higher education institutions increased by 26% after adjusting for inflation. Enrollments at public colleges and universities grew by 24% and appropriations per student increased by only 2%.
- Over the five years from 2001-02 to 2006-07, total appropriations for higher education increased by 4% after adjusting for inflation. Enrollments at public colleges grew by 11% and appropriations per student declined by 5%.

Notes: Total appropriations equal state appropriations plus local appropriations, excluding research, agriculture, and medical appropriations. Full-time equivalent numbers are computed by State Higher Education Executive Officers (SHEEO), based on 30 credit hours (or equivalent).

Sources: The College Board, *Annual Survey of Colleges*; SHEEO, 2007.

Figure 10a: Annual Percentage Changes in Educational Appropriations per Full-Time Equivalent (FTE) Student at Public Institutions and in Tuition and Fees at Public Four-Year Institutions in Constant (2006) Dollars, 1980-81 to 2006-07

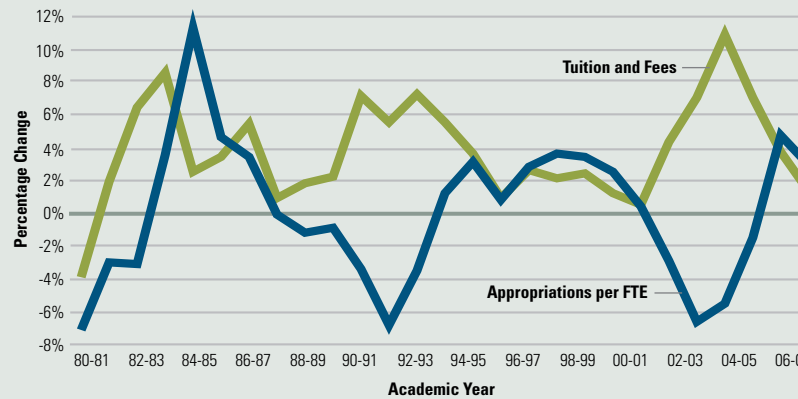
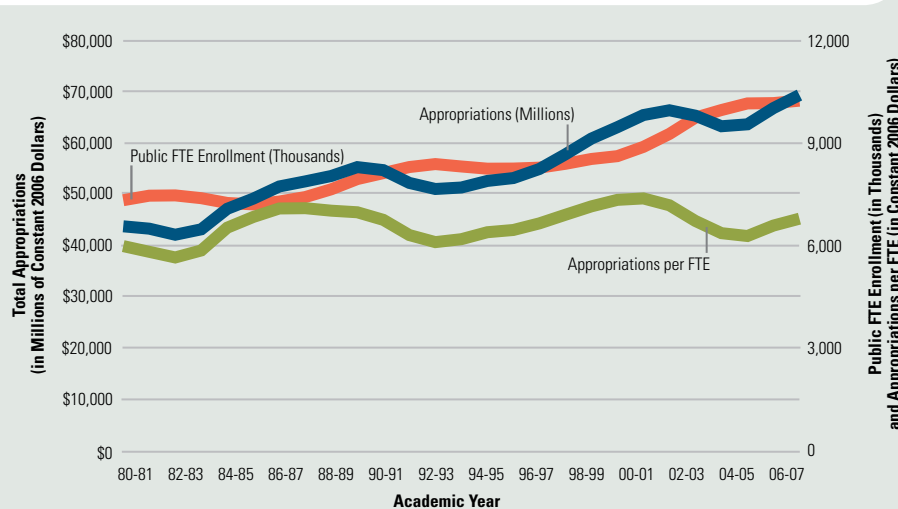


Figure 10b: Educational Appropriations for Public Higher Education Institutions: Total Appropriations in Constant (2006) Dollars (in Millions), Appropriations per FTE Student in Constant (2006) Dollars, and FTE Enrollment (in Thousands), 1980-81 to 2006-07



ALSO IMPORTANT

- In 2004-05, state and local appropriations constituted 27% of total revenues at public degree-granting institutions (*Digest of Education Statistics 2007*, Table 339).
- In 2004-05, appropriations constituted 11% of revenues for public institutions in Vermont and 15% in Colorado, compared to 38% in Alaska and 40% in Wyoming (*Digest of Education Statistics 2007*, Table 339).

Endowments

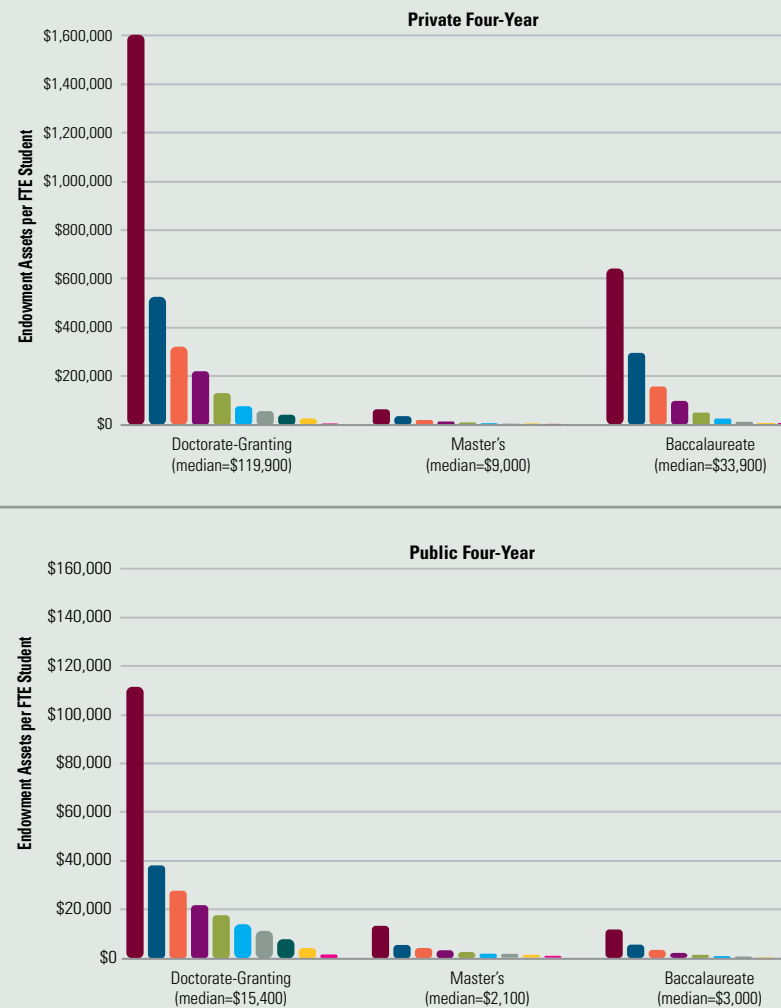
In 2007, half of the students at private doctorate-granting universities attended schools with endowments of \$119,000 or more per full-time equivalent (FTE) student; the other half attended schools with endowments of \$119,000 or less per FTE student. With a typical spending rate of 4.4%, this median level of endowment assets translates into about \$5,300 of endowment income per FTE student.

- In public institutions, median income from endowment ranged from about \$700 on the \$15,500 per student at doctorate-granting universities to about \$100 on the \$2,100 per student at master's universities.
- In 2007, the top 10% of private doctorate-granting universities held 53% of endowment funds in this sector and the second decile held 18%.
- The top 10% of private master's universities held 39% of endowment funds in this sector and the second decile held 22%.
- The top 10% of private baccalaureate colleges held 50% of endowment funds in this sector and the second decile held 23%.
- Funds are similarly concentrated in the public sector, with the top decile in terms of endowment per student holding 44% of all assets among doctorate-granting universities, 39% among master's universities, and 45% among baccalaureate colleges in 2007.

Notes: The value of endowment assets was as of the end of fiscal year 2007. Endowment assets are based on data for 63 private doctorate-granting, 109 private master's, 168 private baccalaureate, 142 public doctorate-granting, 216 public master's, and 98 public baccalaureate degree institutions. Average endowment per FTE for each decile of institutions is calculated by ordering the institutions in the sector by assets per FTE and dividing the students in the sector into deciles. Total assets in the institutions enrolling 10% of students in the sector are divided by the number of students in those institutions.

Sources: National Association of College and University Business Officers (NACUBO) *Endowment Study*; NCES, *Integrated Postsecondary Education Data System*; calculations by the authors. Data are from NACUBO where available.

Figure 11: Endowment Assets per Full-Time Equivalent (FTE) Student at Four-Year Colleges and Universities by Decile and Carnegie Classification, 2007



● Highest Decile ● Sixth
● Second ● Seventh
● Third ● Eighth
● Fourth ● Ninth
● Fifth ● Lowest Decile

Endowment assets include funds that by law must be preserved, with only the income available for spending, because of restrictions placed by donors. Institutional policy dictates the preservation of other endowment funds. Most colleges and universities spend 4% to 6% of the value of their endowments each year as additions to the operating budget.

The scale on the private four-year graph is 10 times that on the public four-year graph.

ALSO IMPORTANT

- In a survey of 370 private and 188 public colleges and universities (and 209 independent secondary schools) the Commonfund Institute found that in 2006-07, colleges and universities spent an average of about 4.4% of the value of their endowments to supplement their operating budgets. These funds financed about 16% of operating expenditures at institutions with endowments exceeding \$1 billion and 20% at those with endowments between \$501 million and \$1 billion, compared to 2% at institutions with endowments smaller than \$10 million and 5% at those with endowments between \$10 million and \$50 million.
- The rate of return to endowment funds fluctuates considerably over time. According to the Commonfund Institute, between 1999-00 and 2006-07, the average return varied from a low of -6% in 2001-02 to a high of 16.9% in 2006-07.

Family Income

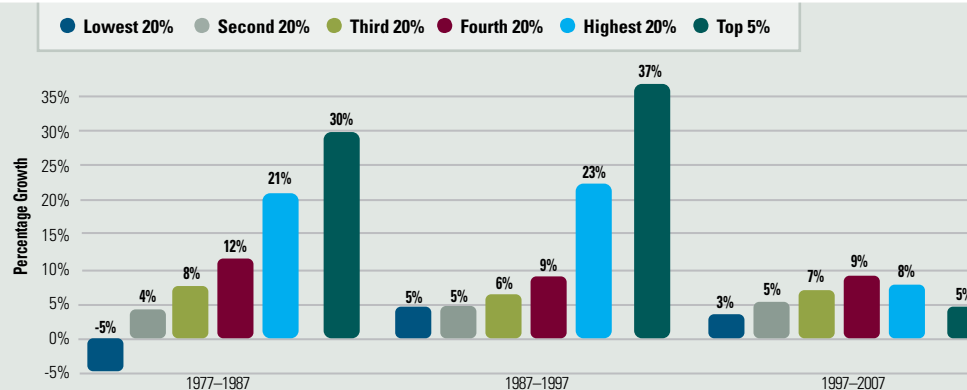
Between 1977 and 2007, average family income rose 3% (\$463 in constant 2007 dollars) for the poorest 20% of families, 22% (\$11,275) for the middle 20%, and 86% (\$146,650) for the wealthiest 5% of families.

- Median family income varies considerably among different groups in the United States. In 2007, the median income for families in the Northeast was \$66,687, compared to \$56,538 in the South. The median income for Asian families was \$77,133, compared to \$40,143 for black families.
- Families with children in college are most likely to be in the 45 to 54 age range. The median income for these families was \$77,440 in 2007, compared to \$61,355 for all families (not shown).
- Family income rises with the educational attainment of the householder. For those with a bachelor's degree or more in 2007, the median income was \$100,000, compared to \$49,739 for those with a high school diploma and no college education.

ALSO IMPORTANT

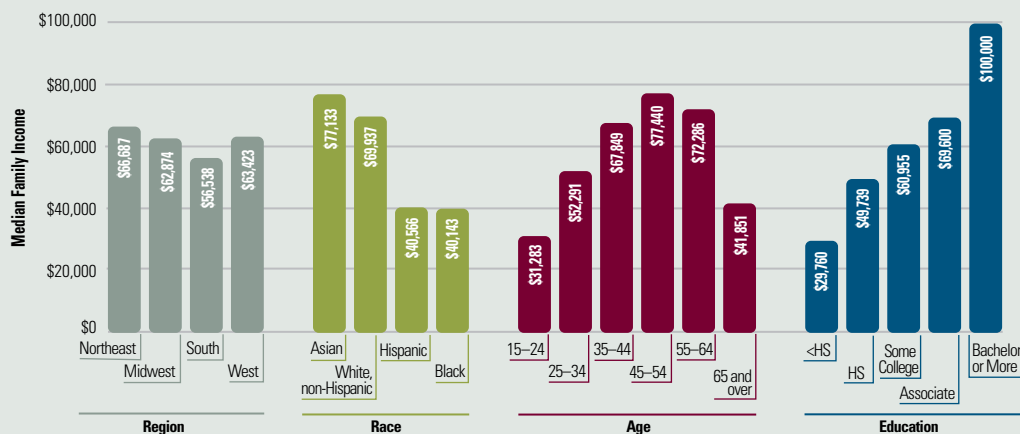
- The share of all income going to families in the bottom fifth of the income distribution fell from 5.5% to 4.1% between 1977 and 2007. The share going to the top 5% of families rose from 14.9% to 20.1%.
- Average tuition and fees at public four-year colleges rose by about \$4,000 in constant dollars over this 30-year time period.
- In 2008-09, for families of four with one child in college and no assets, only those with incomes of about \$90,000 or higher would be expected to pay the published price of tuition, fees, room, and board at the average public four-year college without financial aid. About 30% of families have incomes this high.

Figure 12a: Percentage Growth in Mean Family Income by Quintile (in Constant 2007 Dollars), 1977–1987, 1987–1997, and 1997–2007



	Lowest 20%	Second 20%	Third 20%	Fourth 20%	Highest 20%	Top 5%
\$ change 1977–2007	\$463	\$4,946	\$11,275	\$22,675	\$69,940	\$146,650
% change 1977–2007	3%	15%	22%	33%	60%	86%
2007 income bracket	\$27,864 or less	\$24,865 to \$49,510	\$49,511 to \$75,000	\$75,001 to \$112,638	\$112,639 or higher	\$197,216 or higher

Figure 12b: Median Family Income by Selected Characteristics, 2007



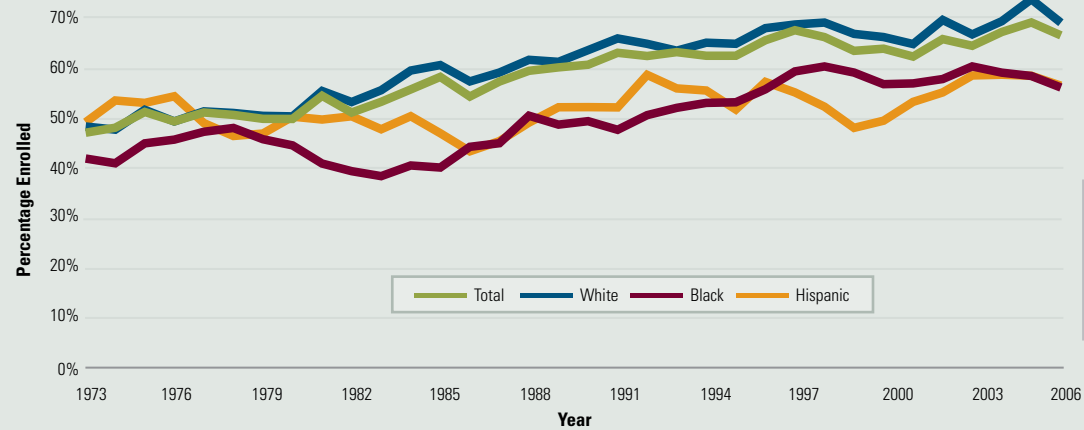
Source: U.S. Census Bureau, Current Population Survey, Table F-1, Table F-3, and FINC-01; calculations by the authors.

Enrollment Rates

The proportion of high school graduates enrolled in college within a year after graduation grew from 49% in 1976 to 54% in 1986, and to 65% in 1996. Between 1996 and 2006, the enrollment rate grew slightly to 66%. Among all age groups under 30, the rate of growth in the proportion of the population enrolled in postsecondary education was lower from 1996 to 2006 than in the preceding decade.

- College-going rates for black and Hispanic high school graduates grew particularly rapidly from the mid-1980s to the mid-1990s, but then stagnated and declined from 2003 to 2006.
- In 2006, 69% of white high school graduates immediately entered postsecondary education, compared to about 56% of black and Hispanic high school graduates.
- The proportion of 18- and 19-year-olds enrolled in postsecondary education rose from 36% in 1976 to 42% in 1986, 43% in 1996, and 46% in 2006.
- The most rapid growth came later, between 1986 and 1996, for the older age groups. Among 20- and 21-year-olds, the proportion enrolled rose from 31% in 1976 to 32% in 1986, 43% in 1996, and 46% in 2006. The figures for 22- to 24-year-olds are 17%, 18%, 24% and 26%.

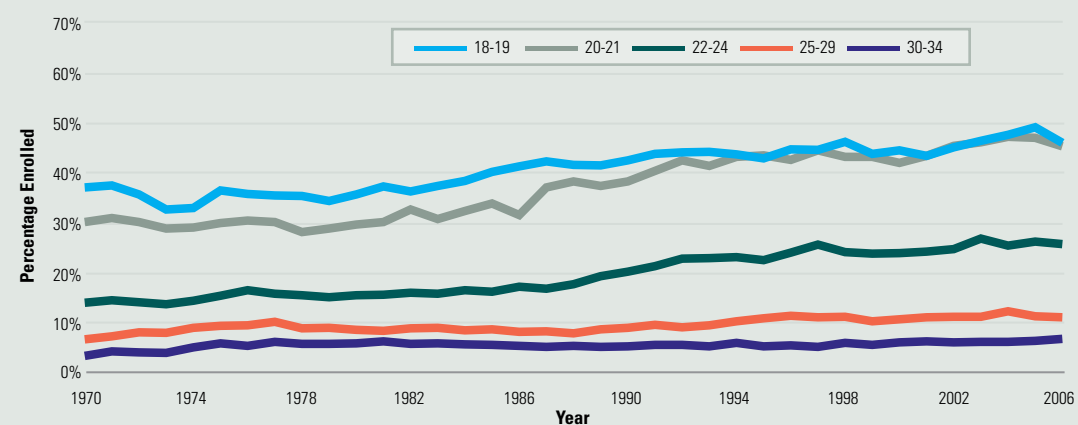
Figure 13a: Percentage of Recent High School Graduates Enrolled in Postsecondary Education by Race/Ethnicity, 1973–2006



	Total	White	Black	Hispanic
1976	49%	49%	45%	54%
1986	54%	57%	44%	43%
1996	65%	67%	55%	57%
2006	66%	69%	56%	56%

Note: Figures for blacks and Hispanics represent three-year moving averages because of the small sample size.
Source: NCES, *Digest of Education Statistics 2007*, Table 192.

Figure 13b: Percentage of Population Enrolled in Postsecondary Education by Age, 1970–2006



	18-19	20-21	22-24	25-29	30-34
1976	36%	31%	17%	10%	6%
1986	42%	32%	18%	9%	6%
1996	45%	43%	24%	12%	6%
2006	46%	46%	26%	11%	7%

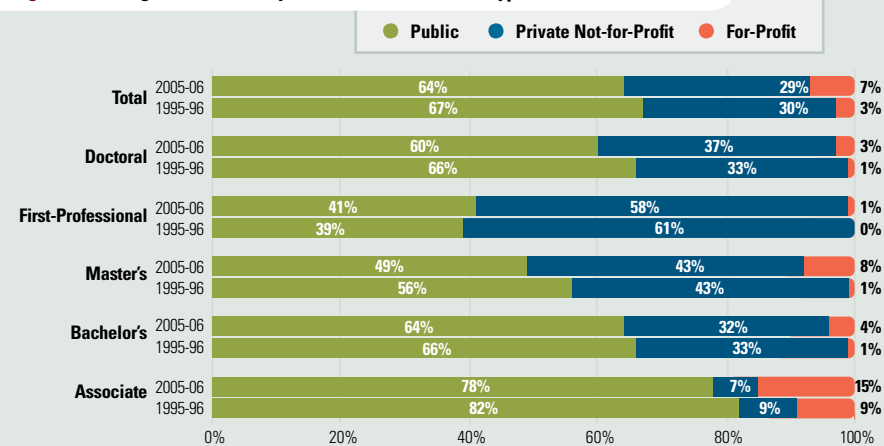
Source: U.S. Census Bureau, *Current Population Survey*, 1970-2006.

Degrees Granted

The proportion of all degrees that were awarded by for-profit institutions increased from 3% to 7% between 1995-96 and 2005-06. In 1995-96, 9% of associate degrees were granted by for-profit institutions. A decade later, that proportion was 15%.

- Just over half of all degrees awarded are bachelor's degrees. In 1995-96, 66% of these degrees were from public institutions, 33% were from private not-for-profit institutions, and 1% were from for-profit institutions. In 2005-06, 64% of bachelor's degrees were from public institutions, 32% were from private not-for-profit institutions, and 4% were from for-profit institutions.
- The total number of degrees granted rose by 31% over the decade. The number of master's degrees awarded grew by 46%, while the number of first-professional degrees rose by only 14%.
- In 2005-06, public two-year and four-year institutions enrolled 74% of FTE students and granted 64% of all degrees. Private not-for-profit institutions enrolled 20% of FTE students and granted 29% of all degrees. For-profit institutions accounted for 6% of enrollments and 7% of degrees.

Figure 14a: Degrees Granted by Level and Institutional Type, 1995-96 and 2005-06

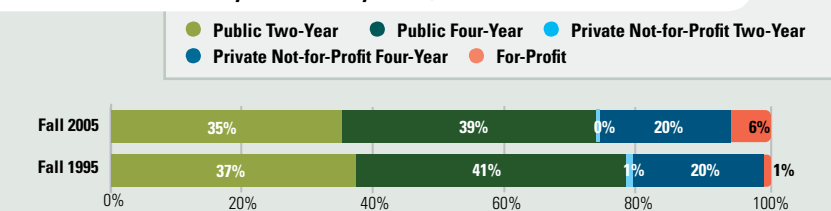


Note: First-professional degrees involve completion of all academic requirements to begin practice in any of the following fields: chiropractic, dentistry, law, medicine, optometry, osteopathic medicine, pharmacy, podiatry, theology and veterinary medicine.
Source: NCES, *Condition of Education 2008*, Table 41.1.

Total Number of Degrees Granted, 1995-96 and 2005-06

	Associate's	Bachelor's	Master's	First-Professional	Doctoral	Total
1995-96	555,216	1,164,792	406,301	76,734	44,652	2,247,695
2005-06	713,066	1,485,242	594,065	87,655	56,067	2,936,095
% increase	28%	28%	46%	14%	26%	31%

Figure 14b: Percentage Distribution of Full-Time Equivalent (FTE) Enrollment in Postsecondary Institutions by Sector, Fall 1995 and Fall 2005



Source: NCES, unpublished data.

ALSO IMPORTANT

- For-profit institutions accounted for about 1% of total FTE postsecondary enrollments in fall 1995 and about 6% in fall 2005. This growth was primarily in four-year institutions, which enroll three-quarters of the students in the for-profit sector.
- For-profit institutions enrolled just under 6% of undergraduates and just over 6% of graduate students in fall 2005.
- In for-profit institutions, 83% of undergraduates and 75% of graduate students are enrolled full-time. This compares to 63% of undergraduates and 54% of graduate students in all sectors who are enrolled full-time.

Notes and Sources

The Annual Survey of Colleges

Prices described in this report are based on data reported to the College Board by colleges and universities in the *Annual Survey of Colleges*. Data for 2008-09 are from an online questionnaire distributed in October 2007, with data collected and reviewed through early September 2008. Tuition and fee figures are based on charges to full-time students over the course of a nine-month academic year of 30 semester hours or 45 quarter hours. For those institutions with tuition and fees that vary by year of study, weighted average undergraduate tuition levels are used in the analysis. We are not able to estimate differences in tuition and fees by program, but rely on average prices reported by institutions.

Enrollment-Weighted and Unweighted Data

This report provides enrollment-weighted average prices. Charges reported by colleges with larger full-time enrollments are weighted more heavily than those of institutions with smaller enrollments. Unweighted average prices, with the charges of all reporting institutions treated equally, are available online at www.collegeboard.com/trends.

The most recent enrollment data available are for 2007-08. While for 2007-08 and earlier years, prices are weighted by same year enrollments, for 2008-09, prices are weighted by 2007-08 enrollments. In other words, the percentage changes reported in Tables 1a and 1b reflect only price changes, not changes in enrollment patterns. In contrast, the historical data on changes in enrollment-weighted prices illustrated in Figure 4 reflect changes in both prices charged and in the distribution of full-time students across institutions.

In-State and Out-of-State Tuition and Fees

In-state tuition and fees are weighted by full-time enrollment. Out-of-state tuition and fees are calculated by adding the nonresident premium, weighted by full-time out-of-state enrollment, to average in-state tuition and fees.

Institutions Included in Calculations

Out of the 3,494 public two-year, public four-year, private not-for-profit four-year, and for-profit institutions that were surveyed in both 2007 and 2008, 3,019 were included in this year's analysis, including over 98% of the surveyed schools

in the public and private not-for-profit sectors and 44% of those in the for-profit sector. Our imputation process allows us to include schools for which we are missing one year of data. We exclude from our calculations military academies and other institutions that report zero tuition. Detailed information on the number of institutions included in the analysis for each sector is available online.

Revision of Base-Year Values

The prices for 2007-08 used in this analysis differ somewhat from the 2007-08 averages reported last year. One factor contributing to the revision is the reweighting of the prices, shifting from 2006-07 to 2007-08 full-time enrollment figures. The base-year numbers also shift because several hundred institutions submit revised tuition figures for the previous year. In addition, some schools offer both two-year and four-year degrees. This year we have recategorized a number of schools as four-year because they offer more bachelor's than associate degrees.

The recomputed average for 2007-08 tuition and fees at public four-year institutions is \$6 higher than the level we reported last year, and the recomputed average for tuition and fees at private institutions is \$33 higher. Because of the reclassification described above, the 2007-08 public two-year average tuition and fee level is \$67 lower.

Net Price Calculations

The calculations of net price for full-time undergraduate students are a best approximation and are based on the aggregate amounts of each type of aid reported in *Trends in Student Aid 2008* and on the allocation of each type of aid across institution types and between part-time and full-time students reported in 1993, 1996, 2000, and 2004 *National Postsecondary Student Aid Study (NPSAS)* data.

Total charges for public two-year students include an estimate of housing and food expenses for students not living with their parents, based on commuter room and board expenses reported by institutions when available and derived from public four-year room and board charges for earlier years in the decade. The net price estimates reported here are not exactly comparable to those that appeared in 2007 because some figures have been updated.

Institutional Revenues and Expenditures

Figures 8, 9a, and 9b are based on data from the Delta Cost Project. Delta data combine *Integrated Postsecondary Education Data System (IPEDS)* data with information from the Financial Institution Shared Assessment Program database beginning in 1994. Further details and the entire database are available at www.deltacostproject.org.

Endowments

Data on endowments are from the National Association of College and University Business Officers (NACUBO), supplemented by data from *IPEDS* for institutions for which NACUBO data are not available. Public university foundation endowment assets are included.

Inflation Adjustment

The Consumer Price Index for all urban consumers (CPI-U) is used to adjust for inflation. We use the CPI-U in July of the year in which the academic year begins. See [ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt](http://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt) for changes in the CPI-U over time.

Carnegie Classification 2005: Basic Classification

"Associate's colleges" include institutions where all degrees are at the associate level, or where bachelor's degrees account for less than 10% of all undergraduate degrees; "doctorate-granting universities" include institutions that award at least 20 doctoral degrees per year (excluding doctoral degrees that qualify recipients for entry into professional practice, such as the J.D., M.D., Pharm.D., DPT, etc.); "master's colleges and universities" include institutions that award at least 50 master's degrees per year; "baccalaureate colleges" include institutions where baccalaureate degrees represent at least 10% of all undergraduate degrees and that award fewer than 50 master's degrees or fewer than 20 doctoral degrees per year. All of the categories above exclude "special focus institutions" and "tribal colleges."

For more details on data sources and methodology, please see the *Trends in College Pricing* Web site at www.collegeboard.com/trends.

Trends in College Pricing was authored by College Board senior policy analyst Sandy Baum and consultant Jennifer Ma, with invaluable support from consultant Kathleen Payea.

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Trends in College Pricing and its companion report, *Trends in Student Aid*, are supplemented by a new Web site that makes detailed data available for reference and downloading. The PDF versions of these reports, along with PowerPoint slides of all the graphs, are available on the Web:

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Defining Terms

According to the 1997 National Commission on the Cost of Higher Education, defining “cost,” “price,” and “subsidy” is critical to clarifying the issues in financing postsecondary education.

- “Costs” refer to the expenditures associated with delivering instruction, including physical plant and salaries.
- “Prices” are the expenses that students and parents face. “Published price” is the price institutions charge for tuition and fees as well as room and board in the case of students residing on campus. A full student expense budget also includes books, supplies, transportation, and other basic living costs. “Net price” is what the student and/or family must cover after grant aid and savings from tax credits and deductions are subtracted.
- “General subsidies” make it possible for institutions to charge less than the actual costs of instruction. State, federal, and local appropriations, as well as private philanthropy, reduce the prices faced by all students—whether or not they receive financial aid.

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