

Using Net Price Calculators in the College Search

What is net price? In most cases, students do not pay the full cost at colleges or universities. Instead, financial aid opportunities can lead to a reduced “net price” – the amount your family will be responsible to cover out-of-pocket after your grants and scholarships are subtracted from total costs at the school.

Why does net price matter? Financial aid opportunities vary from college to college and from student to student. A customized estimate of net price gives you an idea of what you could expect to receive in financial aid from a college. This allows you to keep affordability in mind as you research colleges and finalize decisions about which ones to apply to. Understanding net price can help your family identify financial “safety” schools and also may help you feel more comfortable applying to colleges with a high total cost but an affordable net price. It can also be a helpful reference for students considering applying for admission through a binding Early Decision program.

What is a Net Price Calculator? By October 29, 2011, all colleges that offer federal financial aid programs are required by the federal government to provide a Net Price Calculator on or through their school websites; they can often be found in the financial aid section of the college’s website. These calculators are intended to provide you with a customized estimate of how much financial aid you may expect to receive from the college, and the resulting net price, if you were to be admitted to the institution. The calculator will ask your family to provide financial information such as income and assets for the student and parents, and at schools where merit aid might be available, the student’s academic credentials.

Here are some important factors to consider when using Net Price Calculators:

- **Not all Net Price Calculators are the same.** Depending on the calculator provided by the institution, the number of questions and information collected may vary. Some calculators require in-depth financial and academic information in order to calculate the estimated award. The more questions that are asked, the more accurate the estimate is likely to be.
- **Estimates are only as accurate as the information you provide.** If inaccurate financial or academic information is entered, the estimated award is also likely to be inaccurate.
- **Net Price Calculators do not provide final financial aid awards.** Net Price Calculators might be based on current or upcoming academic year costs and financial aid policies. The farther the student is away from enrollment, the more likely the estimated financial aid eligibility is to change.
- **The calculator may not be able to anticipate all of the student’s financial aid opportunities.** Depending on the eligibility criteria of certain merit-based scholarships – which might be determined after you apply to the college – the calculator might underestimate your total financial aid award. Additionally, Net Price Calculators will not include outside scholarships you may receive, and might not include estimates of a student’s eligibility for loans and work-study. Although these are important forms of financial aid, they may not be factored into net price.
- **Net Price Calculators are not financial aid applications.** Some institutions may combine their institutional financial aid application with their Net Price Calculator, although you would still need to complete the FAFSA – the Free Application for Federal Student Aid – after January 1 of your senior year and complete all other necessary applications.
- **Net Price Calculators are only intended to supplement the conversation around college affordability.** Contact the financial aid office at the college to learn about all financial aid opportunities and eligibility criteria. Net Price Calculators are not intended to be used as the sole determining factor in whether or not to apply to a college. Instead, they can help you ask more informed questions about aid eligibility and have more informed conversations about college affordability.