**Sticker Price vs. Net Price**

As you research colleges, you’ll find they’ll list the cost of attendance on their websites. “Cost of attendance” includes tuition, fees, books, and room and board. This is the “sticker price,” or what it costs to attend a specific college without any financial aid. Don’t let this figure dissuade you from looking more closely at a school. You need to consider a school’s “net price,” or the cost of attending minus potential scholarships and grants. Many of the schools with the highest sticker prices, such as the Ivy League colleges, offer students the most financial aid.

A college’s net price is usually considerably lower than the published price. According to The College Board, the average published price for a four-year public college is $8,660 per year, but the average net price – what families really pay – is just $2,910 per year. For four-year private colleges, The College Board lists the average published price at $29,060 per year, while the average net price is $13,380.

**Sticker Price vs. Net Price**

**Sticker Price**

The full cost of attending a specific school

**Grants and Scholarship**

Financial Aid awards you don’t have to pay back

**Net Price**

What you pay after subtracting grants and scholarships



**Net Price Calculators**

Net price will be different for each family, because it’s based on the family’s specific finances and the college’s financial aid policies. A 2011 federal mandate requires that colleges post a [net price calculator](http://collegecost.ed.gov/netpricecenter.aspx) on their websites. The calculator allows students to estimate their net price of attendance based on what students with similar circumstances paid in the previous year. These tools are sometimes hard to find within the school websites, so the U.S. Department of Education offers a useful [net price calculator](http://collegecost.ed.gov/netpricecenter.aspx) search. You simply enter the name of the college you want and you’ll be directed to its calculator.

For the purposes of these calculators, net price will be the total cost of one year for a first time, full-time undergraduate, less any grant and scholarship aid you may receive. The calculator will estimate your eligibility for need-based aid at the school, and may require information from tax returns. Some schools deduct only the estimated federal need-based aid from their totals, while others may include merit awards, state aid, and potential loans or work-study programs. Calculators that give families a breakdown of what is included in the net price estimate are the easiest to understand, although this is not a federal requirement.

The bottom line is that colleges you think might be too expensive could actually turn out to be affordable. Do your homework and find out.