

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 a family will be responsible to cover out-of-pocket after 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 students an idea of what they could expect to receive in financial aid from a college. This allows students to keep affordability in mind as they research colleges and finalize decisions about where to apply. Understanding net price can help students identify financial “safety” schools and also make students 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? All colleges that offer federal financial aid programs are required by the federal government to provide a Net Price Calculator on their websites. These calculators are intended to provide families with a customized estimate of how much financial aid accepted students may expect to receive from the college, and the resulting net price. The calculator will request family financial information, including parent and student income and assets, and may also request the student’s academic credentials if the college awards merit aid.

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 provided.** 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 award is to change.
- **The Net Price 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 a student applies to college; the calculator might underestimate a student’s total financial aid award. Additionally, Net Price Calculators will not include outside scholarships a student may receive, and might not include estimates of a student’s eligibility for loans and work-study, which are important forms of financial aid.
- **Net Price Calculators are not financial aid applications.** Some institutions may combine their institutional financial aid application with their Net Price Calculator, but the Free Application for Federal Student Aid (FAFSA), will still be required after January 1 of senior year in order to apply for financial aid.
- **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 determining a college’s affordability. Instead, they can allow families to ask more informed questions about aid eligibility and opportunities.