



Trends in Higher Education Series

2007

Trends in **College Pricing**



Executive Summary

Tuition and Fees and Room and Board

Tuition and fees constitute about two-thirds of the total budget for students enrolled in private four-year colleges, but are just over a third of the total budget for in-state students in public four-year colleges and less than 20 percent of the total budget for public two-year college students.

- Average published tuition and fees at public two-year colleges in 2007-08 are \$2,361, \$95 (4.2 percent) higher than in 2006-07.
- Average published tuition and fees for in-state students at public four-year colleges and universities in 2007-08 are \$6,185, \$381 (6.6 percent) higher than they were in 2006-07. Average total charges, including tuition and fees and room and board, are \$13,589, 5.9 percent higher than a year earlier.
- Average published tuition and fees for out-of-state students at public four-year colleges and universities in 2007-08 are \$16,640, \$862 (5.5 percent) higher than they were in 2006-07. Average total charges are \$24,044, 5.4 percent higher than a year earlier.
- Average published tuition and fees at private four-year colleges and universities in 2007-08 are \$23,712, \$1,404 (6.3 percent) higher than they were in 2006-07. Average total charges, including tuition and fees and room and board are \$32,307, 5.9 percent higher than a year earlier.
- Average published tuition and fees at for-profit institutions in 2007-08 are \$12,089, \$703 (6.2 percent) higher than in 2006-07.

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.

- Thirty-two percent of full-time undergraduates in public and private four-year colleges and universities are enrolled in institutions with published tuition and fees of less than \$6,000 and 22 percent are enrolled in institutions with published tuition and fees of \$21,000 or higher.
- In-state public four-year tuition and fees range from an average of \$5,018 in the South to an average of \$8,116 in New England. The lowest price colleges are public two-year colleges in the West, with average tuition and fees of \$1,289; the highest price colleges are private four-year colleges in New England, with average tuition and fees of \$30,154.
- Twenty percent of full-time in-state students enrolled in public four-year colleges and universities faced increases in tuition and fees of less than 3 percent in 2007-08, while 22 percent faced increases of 9 percent or more.

Long-Run Trends

Prices of public four-year colleges and universities rose more rapidly between 1997-98 and 2007-08 than in the preceding decade, but prices of private four-year and public two-year institutions did not.

- Over the past decade, published tuition and fees rose at an average rate of 2.9 percent per year after inflation at private four-year colleges, 4.4 percent at public four-year institutions, and 1.5 percent per year at public two-year colleges. The difference between average tuition and fees at private four-year and public four-year colleges increased by \$3,726 (in 2007 dollars) and the difference between average tuition and fees at public four-year and public two-year colleges increased by \$1,828 (in 2007 dollars).

- Over the past decade, total charges, including room and board in addition to tuition and fees, rose at an average rate of 2.6 percent per year after inflation at private four-year colleges and universities, and 3.5 percent at public four-year institutions.
- In 1995, 2 percent of full-time undergraduate students were enrolled in for-profit institutions. By 2005, that share had risen to 7 percent of full-time undergraduate and 8 percent of all full-time postsecondary students.

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 \$9,300 of aid per year in the form of grants and tax benefits in private four-year institutions, \$3,600 in public four-year institutions, and \$2,040 in public two-year colleges.
- Net price in public four-year colleges fell in inflation-adjusted dollars between 1997-98 and 2000-01, but has risen rapidly since. Net price in public two-year colleges fell from 1997-98 to 2002-03 and has increased since.
- Net tuition and fees in private four-year colleges and universities have grown at about the same rate as published tuition and fees over the decade from 1997-98 to 2007-08. However, the published price has increased by \$5,889 in 2007 dollars, compared to an increase of about \$3,600 in the net price.
- Net tuition and fees required a lower percentage of income for low-income families with students enrolled full-time at public two-year and four-year colleges in 2003-04 than in 1992-93. The share of income for similar students remained constant at private nonprofit and rose at for-profit institutions.
- Between 1992-93 and 2003-04, net price as a percentage of family income rose for lower-middle-income students in all sectors other than public two-year colleges.

Institutional Finances

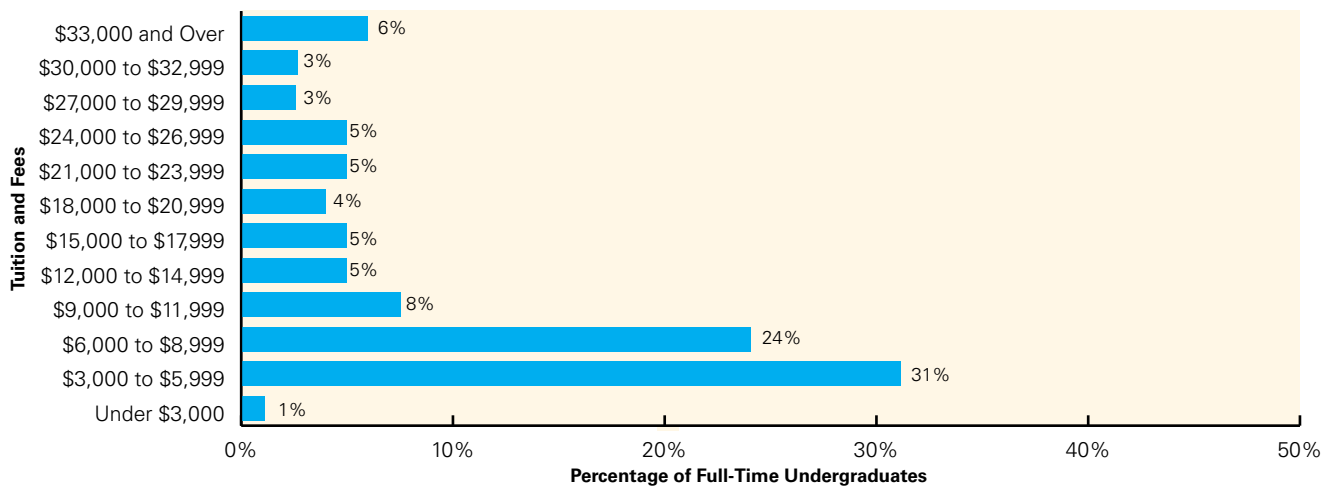
Revenue and expenditure patterns differ considerably across and within sectors.

- State and local appropriations per student were \$6,695 in 2005-06, 2 percent higher in inflation-adjusted dollars than the 1995-96 level, but 4 percent lower than in 1985-86.
- Gross tuition and fees constitute 54 percent of revenues at private four-year undergraduate colleges, compared to 34 percent at private doctoral universities. Tuition and fees constitute 33 percent of revenues at public four-year undergraduate colleges and 26 percent at public doctoral universities.
- Expenditures on instruction average about \$5,000 per student at public four-year undergraduate colleges and \$9,400 per student at public doctoral universities. Private colleges spend about \$6,400 and private doctoral universities spend about \$16,300 per student on instruction.
- The number of staff members per student declined in both public and private colleges and universities between 1995 and 2005, after increasing over the previous 20 years. The proportion of faculty members who were full-time and tenured declined from 39 percent in 1987 to 28 percent in 2003.
- Endowment wealth is highly concentrated among a small number of institutions in both the public and private sectors.

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Figure 1: Distribution of Full-Time Undergraduates at Four-Year Institutions by Published Tuition and Fees, 2007-08



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 2006-07.

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

Among full-time students enrolled in public or private four-year colleges and universities, 32 percent attend institutions with tuition and fees below \$6,000. Twenty-two percent attend institutions with tuition and fees of \$21,000 or higher.

Introduction

This report, based on the College Board's *Annual Survey of Colleges*, provides up-to-date information on tuition and other expenses associated with attending institutions of postsecondary education in the United States. The *Annual Survey* is distributed to nearly 4,000 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.

Each fall, the College Board releases the survey results on how much colleges and universities are charging undergraduate students in the new academic year. Simultaneously, we release *Trends in Student Aid*. Taken together, the companion reports, *Trends in College Pricing* and *Trends in Student Aid*, tell much about the financing of postsecondary education in America.

Earlier this year, we issued the 2007 edition of *Education Pays: The Benefits of Higher Education for Individuals and Society*. This publication updates the original 2004 report and provides additional information on the economic and social benefits of higher education. It also continues our focus on the distribution of these benefits by examining both the progress and the persistent gaps in participation in postsecondary education.

How College Prices Are Changing

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 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. In particular, about half of all college students and two-thirds of those enrolled full-time receive grant aid that lowers the net price they actually pay. Many students do pay the published prices, and many more students and their parents believe they will have to pay the published prices because they are unaware of the sources and amounts of student aid available. However, increases in published prices that are matched by increases in grant aid do not reduce affordability. Average net prices actually 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. American college students 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 of the options and the 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 financial 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 be subject to high percentage increases 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

Trends in College Pricing 2007 includes information on:

- Changes in tuition and fees, room and board, and other costs of attending college both this year and over time
- The distribution of students across colleges charging different prices
- Variation in college charges across states and regions of the United States
- The net price of college after considering grant aid and tax benefits
- The distribution of endowment wealth among both public and private colleges and universities
- Faculty and staffing patterns
- Patterns of participation in higher education by sector and part-time or full-time status
- Changes over time in state and local appropriations
- Patterns of institutional expenditures and sources of revenue

This report contains information that can provide insight into the underlying causes of rising tuition and fees, 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 particular institutions, 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 2007 presents detailed data on public two-year and four-year and private four-year nonprofit institutions for the 2007-08 academic year. Comparable information about the growing for-profit sector of postsecondary education, which enrolls about 7 percent of all full-time 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 caution.

Tuition and fees and other charges reported in *Trends* apply to full-time undergraduate students. Almost 40 percent of all undergraduates and about 60 percent 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 for one academic year.

Tuition and Fees Versus Total Charges

Some of the graphs and tables in the report focus only on tuition and fees, 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 set by either institutions or state government bodies and are relevant for all enrolled students, they are the best overall indicator of the price of college. 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. Even those who receive grant aid sufficient to cover tuition and fees 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 they 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-price institutions within a sector, our measure of the average price increase would be lower than if enrollment were stable. Details relating to this methodology and to other technical issues and data reliability can be found at the end of the report, in the Notes and Sources section.

As always, we continue to update previously reported statistics when better data become available. Therefore, this update replaces previous *Trends in College Pricing* publications. Both PDF copies of the publications and PowerPoint files containing individual slides for all of the tables and graphs are available on the College Board's Web site (www.collegeboard.com/trends). Please feel free to use these slides with proper attribution. Excel files containing historical data and some of the data underlying the graphs included in the reports are also available online.

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Tuition and Fees, Room and Board, and Total Charges, 2007-08

Table 1: Average Published Charges for Undergraduates, 2007-08 (Enrollment-Weighted)

Sector	Tuition and Fees				Room and Board				Total Charges			
	2007-08	2006-07	\$ Change	% Change	2007-08	2006-07	\$ Change	% Change	2007-08	2006-07	\$ Change	% Change
Public Two-Year	\$2,361	\$2,266	\$95	4.2%	—	—	—	—	—	—	—	—
Public Four-Year In-State	\$6,185	\$5,804	\$381	6.6%	\$7,404	\$7,033	\$371	5.3%	\$13,589	\$12,837	\$752	5.9%
Public Four-Year Out-of-State	\$16,640	\$15,778	\$862	5.5%	\$7,404	\$7,033	\$371	5.3%	\$24,044	\$22,811	\$1,233	5.4%
Private Four-Year Nonprofit	\$23,712	\$22,308	\$1,404	6.3%	\$8,595	\$8,189	\$406	5.0%	\$32,307	\$30,497	\$1,810	5.9%
For-Profit	\$12,089	\$11,386	\$703	6.2%	—	—	—	—	—	—	—	—

— Sample too small to provide meaningful information.

Note: Prices reported for 2006-07 have been revised and may differ from those reported in *Trends in College Pricing 2006*.

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

Enrollment-weighted tuition and fees are derived by weighting the price charged by each institution in 2007-08 by the number of full-time students enrolled in 2006-07. Public four-year in-state charges are weighted by total 2006-07 full-time enrollment in each institution, including both in-state students and out-of-state students, who pay an additional nonresident charge. 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.

In 2007-08, average published tuition and fees for in-state students at public four-year colleges and universities are \$6,185, \$381 (6.6 percent) higher than in 2006-07. Average published tuition and fees for full-time public two-year college students are \$2,361, \$95 (4.2 percent) higher than a year earlier.

- Table 1 shows average prices by sector. The average published tuition and fees for all full-time undergraduate students are \$9,347, and the average published tuition and fees for all full-time undergraduates enrolled in four-year public and private colleges and universities are \$11,642.
- In 2007-08, average published tuition and fees for out-of-state students enrolled in public four-year colleges and universities are \$16,640, \$862 (5.5 percent) higher than in 2006-07. Fourteen percent of full-time students in this sector are out-of-state.
- Average published tuition and fees at private four-year colleges are \$23,712 in 2007-08, \$1,404 (6.3 percent) higher than in 2006-07.
- Published tuition and fees for full-time students in for-profit institutions in 2007-08 are \$12,089, \$703 (6.2 percent) higher than in 2006-07. (These figures should be interpreted with caution because they are based on only about 57 percent of the sector's enrollments.)
- Total published charges, including room and board in addition to tuition and fees, increased 5.9 percent for in-state students at public four-year institutions and for students at private four-year nonprofit colleges. Average total charges rose 5.4 percent for out-of-state public four-year college students.
- The published prices reported here are the best estimates of the average prices charged to full-time undergraduates. Pricing patterns are increasingly complex as more institutions are posting different prices for students in different years of study and/or different programs. Some private institutions, as well as the state of Colorado, grant virtually all students a discount from the published tuition.

Also important:

- The prices cited here are not representative of the amount 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, teachers, or others. See Figures 8a and 8b and Figures 9a and 9b for estimates of net prices paid by students and *Trends in Student Aid 2007* for details about student aid.
- It takes students an average of more than six years in public four-year colleges and more than five years in private four-year colleges to earn a bachelor's degree. (*Trends in College Pricing 2006*)
- Part-time students pay lower tuition and fees than those reported here. In fall 2005, 61 percent of students enrolled in public two-year colleges were part-time, as were 27 percent in public four-year, 26 percent in private nonprofit four-year, and 18 percent in for-profit institutions. (*Digest of Education Statistics 2006*, Table 182)

Total Student Budgets, 2007-08

Table 2: Average Estimated Undergraduate Budgets, 2007-08 (Enrollment-Weighted)

Sector	Tuition and Fees	Books and Supplies	Room and Board	Transportation	Other Expenses	Total Expenses*
Public Two-Year						
Resident	\$2,361	\$921	—	—	—	—
Commuter	\$2,361	\$921	\$6,875	\$1,270	\$1,699	\$13,126
Public Four-Year						
Resident	\$6,185	\$988	\$7,404	\$911	\$1,848	\$17,336
Commuter	\$6,185	\$988	\$7,419	\$1,284	\$2,138	\$18,014
Out-of-State	\$16,640	\$988	\$7,404	\$911	\$1,848	\$27,791
Private Four-Year						
Resident	\$23,712	\$988	\$8,595	\$768	\$1,311	\$35,374
Commuter	\$23,712	\$988	\$7,499	\$1,138	\$1,664	\$35,001

— Sample too small to provide meaningful information.

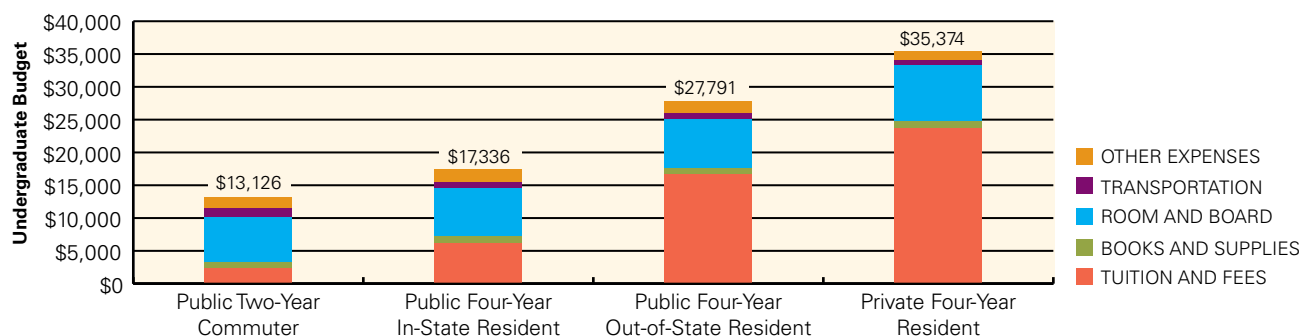
* Average total expenses include room and board costs for commuter students, which are average estimated living expenses for students living off campus but not with parents.

Note: Estimates of individual budget items are based on reporting by institutional financial aid offices.

Source: Annual Survey of Colleges, The College Board, New York, NY.

Enrollment-weighted tuition and fees are derived by weighting the price charged by each institution in 2007-08 by the number of full-time students enrolled in 2006-07. Public four-year in-state charges are weighted by total 2006-07 full-time enrollment in each institution, including both in-state students and out-of-state students, who pay an additional nonresident charge. 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.

Figure 2: Average Estimated Undergraduate Budgets, 2007-08 (Enrollment-Weighted)



Tuition and fees constitute about two-thirds of the total budget for full-time students living on campus at private four-year institutions and 60 percent for out-of-state students at public four-year colleges, but only a third of the budget for in-state public four-year students and less than 20 percent for public two-year college students.

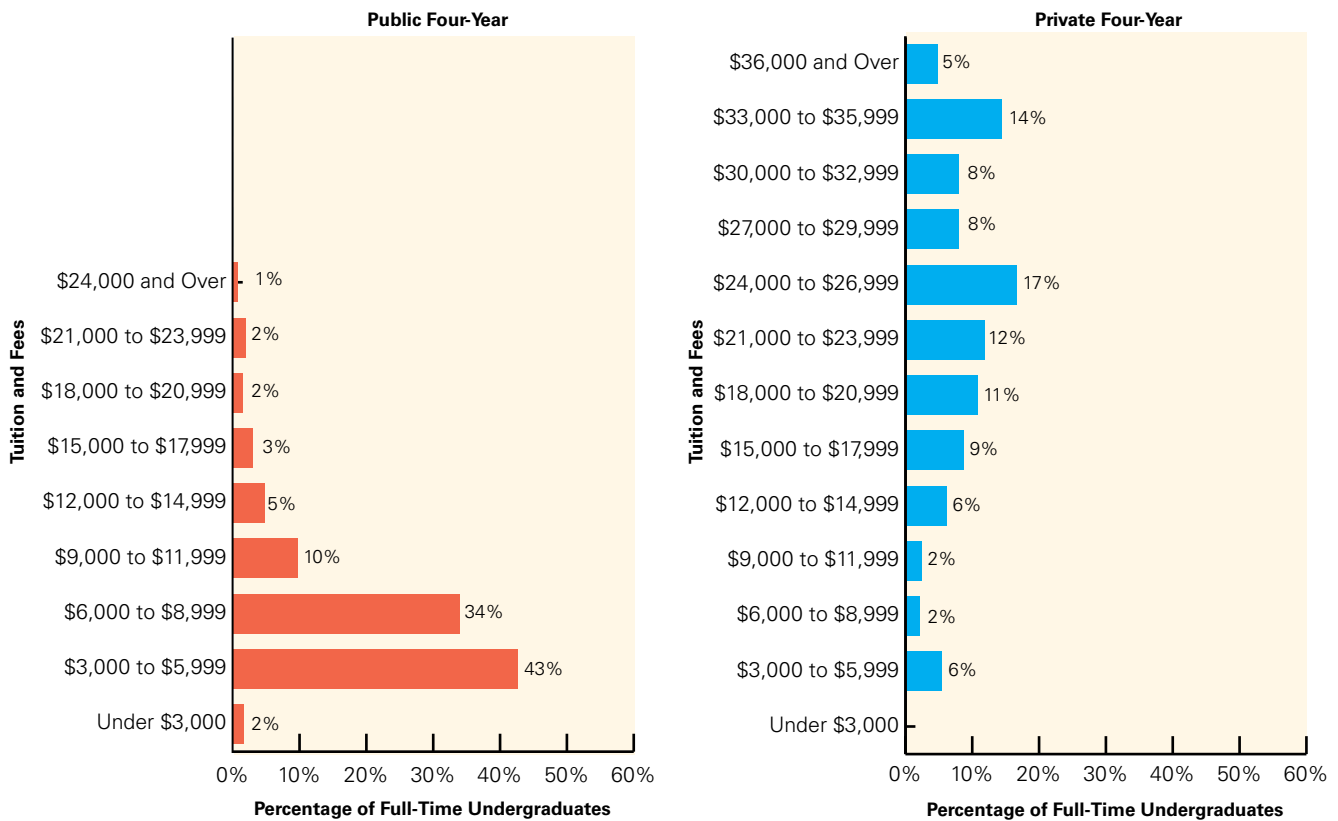
- Many states have reciprocity agreements with neighboring states that allow students to pay less than the standard out-of-state tuition and fees.
- Average public two-year tuition and fees are only 38 percent of the charges at public four-year colleges, but the total student expense budget is three-quarters that of public four-year college students.
- Average in-state tuition and fees at public four-year colleges are about a quarter of the charges at private four-year institutions, but the total student expense budget is about half that of private four-year college students.

Also important:

Most student aid funds, including Pell Grants, Stafford Loans, and campus-based aid, can be used to cover all education-related expenses, including books, supplies, transportation, and personal expenses, in addition to tuition and fees and room and board. However, federal tax credits and deductions are limited to the amount students or families pay in tuition and fees.

Variation in Tuition and Fees, 2007-08

Figure 3: Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Published Tuition and Fees, 2007-08



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. The distribution of students across institutions is based on the latest available enrollment data, which are for 2006-07. Percentages may not sum to 100 due to rounding.

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

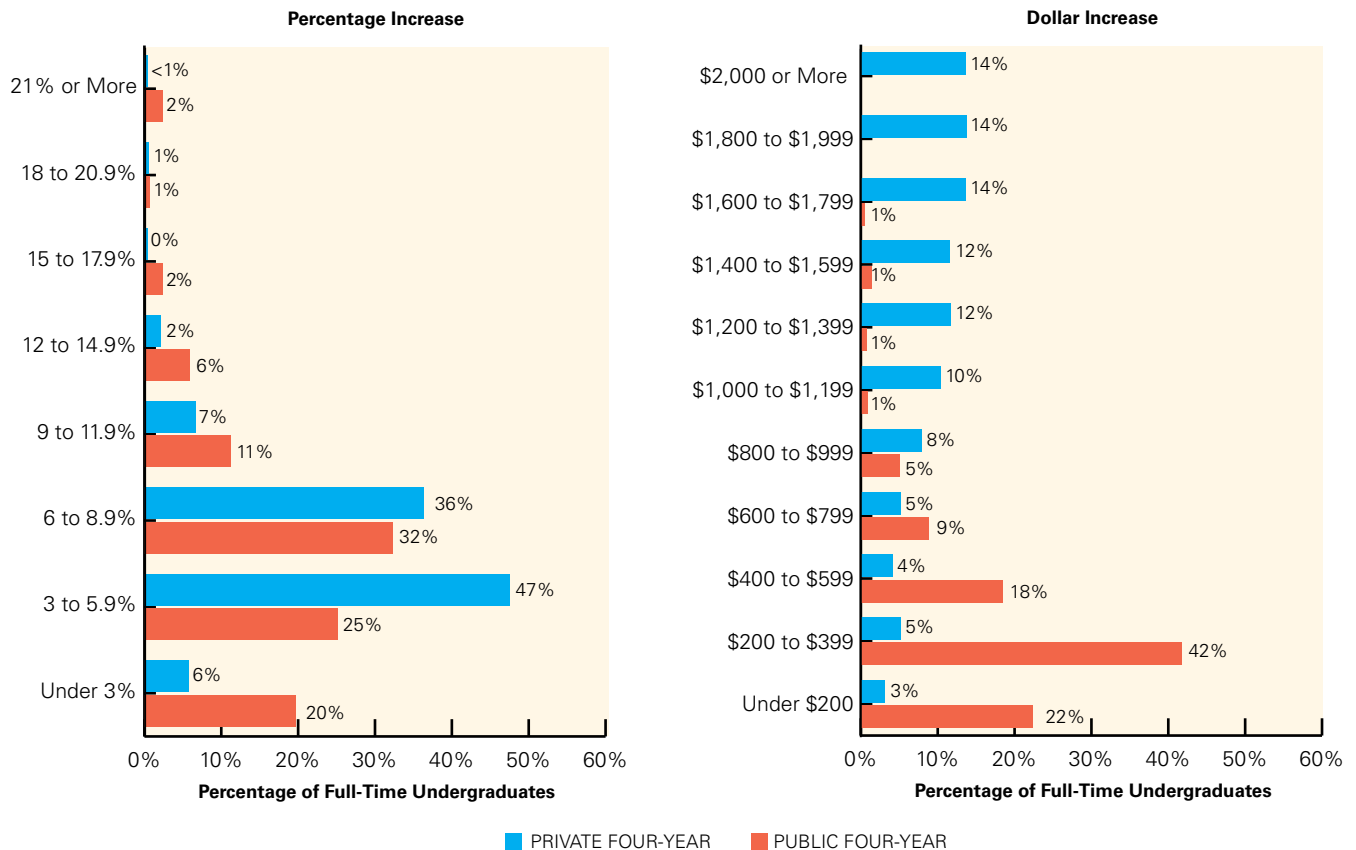
Figure 1 shows the distribution of full-time undergraduates at all four-year colleges and universities by tuition and fees charged. Figure 3 shows separate distributions for full-time undergraduates at public and private institutions.

Forty-three percent of public four-year college students are enrolled in institutions with published tuition and fees, including applicable out-of-state charges, between \$3,000 and \$6,000. At private four-year colleges and universities, there is a much wider range of tuition and fees.

- As reported in Table 1, the average in-state tuition and fees at public four-year colleges and universities are \$6,185; the average tuition and fees for out-of-state public four-year college students are \$16,640. The overall median price is \$6,320.
- Ten percent of full-time private college students are enrolled at institutions charging less than \$12,000, and 27 percent are enrolled at institutions charging \$30,000 or more. Median tuition and fees are \$24,390.
- Although tuition and fees at private colleges and universities are significantly higher on average than those at public four-year institutions, 8 percent of full-time public four-year students are enrolled in institutions charging \$15,000 or more, while 16 percent of full-time private four-year students are enrolled in institutions charging less than \$15,000.

Variation in Tuition and Fee Increases, 2007-08

Figure 4: Distribution of Full-Time Undergraduates at Public and Private Four-Year Institutions by Percentage and Dollar Increase in Published Tuition and Fees, 2007-08



Notes: Only in-state tuition and fees are included for students enrolled in out-of-state public institutions. These students also pay a nonresident fee, as reported in Tables 1 and 2. The distribution of students across institutions is based on the latest available enrollment data, which are for 2006-07. Percentages may not sum to 100 due to rounding.

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

Twenty percent of full-time undergraduates at public four-year colleges and universities attend institutions that raised their in-state tuition and fees by less than 3 percent in 2007-08. Twenty-two percent attend schools where tuition and fees rose by 9 percent or more.

- Forty-seven percent of full-time undergraduates at private four-year colleges and universities attend institutions where the 2007-08 increase in tuition and fees was between 3 percent and 6 percent.
- Twenty-five percent of full-time undergraduates at private four-year colleges and universities attend institutions that raised their tuition and fees by less than \$1,000 in 2007-08. Twenty-eight percent attend schools where tuition and fees rose by \$1,800 or more.
- Forty-two percent of full-time undergraduates at public four-year institutions attend schools where the 2007-08 increase in tuition and fees was between \$200 and \$400.

Tuition and Fee Levels over Time

Table 3a: Average Published Tuition and Fees, Five-Year Intervals, 1977-78 to 2007-08 (Enrollment-Weighted)

Academic Year	Tuition and Fees—Current Dollars						Tuition and Fees—Constant (2007) Dollars					
	Private Four-Year	Five-Year % Change	Public Four-Year	Five-Year % Change	Public Two-Year	Five-Year % Change	Private Four-Year	Five-Year % Change	Public Four-Year	Five-Year % Change	Public Two-Year	Five-Year % Change
1977-78	\$2,700	—	\$655	—	\$306	—	\$9,172	—	\$2,225	—	\$1,040	—
1982-83	\$4,639	72%	\$1,031	57%	\$473	55%	\$9,872	8%	\$2,194	-1%	\$1,007	-3%
1987-88	\$7,048	52%	\$1,485	44%	\$739	56%	\$12,808	30%	\$2,699	23%	\$1,343	33%
1992-93	\$10,448	48%	\$2,334	57%	\$1,116	51%	\$15,416	20%	\$3,444	28%	\$1,647	23%
1997-98	\$13,785	32%	\$3,111	33%	\$1,567	40%	\$17,823	16%	\$4,022	17%	\$2,026	23%
2002-03	\$18,060	31%	\$4,098	32%	\$1,674	7%	\$20,778	17%	\$4,715	17%	\$1,926	-5%
2007-08	\$23,712	31%	\$6,185	51%	\$2,361	41%	\$23,712	14%	\$6,185	31%	\$2,361	23%

Table 3b: Average Published Tuition and Fees, Yearly Intervals, 1997-98 to 2007-08 (Enrollment-Weighted)

Academic Year	Tuition and Fees—Current Dollars						Tuition and Fees—Constant (2007) Dollars					
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Public Two-Year	Annual % Change
1997-98	\$13,785	—	\$3,111	—	\$1,567	—	\$17,823	—	\$4,022	—	\$2,026	—
1998-99	\$14,709	6.7%	\$3,247	4.4%	\$1,554	-0.8%	\$18,715	5.0%	\$4,131	2.7%	\$1,977	-2.4%
1999-00	\$15,518	5.5%	\$3,362	3.5%	\$1,649	6.1%	\$19,307	3.2%	\$4,183	1.2%	\$2,052	3.8%
2000-01	\$16,072	3.6%	\$3,508	4.3%	\$1,642	-0.4%	\$19,337	0.2%	\$4,221	0.9%	\$1,976	-3.7%
2001-02	\$17,377	8.1%	\$3,766	7.4%	\$1,608	-2.1%	\$20,353	5.3%	\$4,411	4.5%	\$1,883	-4.7%
2002-03	\$18,060	3.9%	\$4,098	8.8%	\$1,674	4.1%	\$20,778	2.1%	\$4,715	6.9%	\$1,926	2.3%
2003-04	\$18,950	4.9%	\$4,645	13.3%	\$1,909	14.0%	\$21,342	2.7%	\$5,231	11.0%	\$2,150	11.6%
2004-05	\$20,045	5.8%	\$5,126	10.4%	\$2,078	8.9%	\$21,991	3.0%	\$5,624	7.5%	\$2,281	6.1%
2005-06	\$20,980	4.7%	\$5,492	7.1%	\$2,182	5.0%	\$22,208	1.0%	\$5,814	3.4%	\$2,310	1.3%
2006-07	\$22,308	6.3%	\$5,804	5.7%	\$2,266	3.8%	\$22,746	2.4%	\$5,918	1.8%	\$2,310	0.0%
2007-08	\$23,712	6.3%	\$6,185	6.6%	\$2,361	4.2%	\$23,712	4.2%	\$6,185	4.5%	\$2,361	2.2%

Sources: 1987-88 to 2007-08: data from *Annual Survey of Colleges*, The College Board, New York, NY, weighted by full-time undergraduate enrollment; 1977-78 to 1986-87: data from *Digest of Education Statistics*, National Center for Education Statistics (NCES), weighted by full-time equivalent enrollment.

Current dollar charges reflect each year's actual dollar prices. Constant dollar charges adjust these prices for inflation. Increases in constant dollar prices indicate increases beyond the average increase in consumer prices. Charges for 2006-07 and earlier years are weighted by same-year enrollments. Charges for 2007-08 are weighted by 2006-07 enrollments.

In recent years, price increases at public four-year colleges and universities have been larger in percentage terms than those at private four-year colleges and universities, but the dollar increases at private institutions are significantly larger.

- Over the past decade, published tuition and fees at private four-year colleges and universities rose an average of \$589 per year in 2007 dollars. The average annual rate of increase during this period was 5.6 percent—2.9 percent after adjusting for inflation.
- Over the past decade, published in-state tuition and fees at public four-year colleges and universities rose an average of \$216 per year in 2007 dollars. The average annual rate of increase during this period was 7.1 percent—4.4 percent after adjusting for inflation.
- Over the past decade, published tuition and fees at public two-year colleges and universities rose an average of \$34 per year in 2007 dollars. The average annual rate of increase during this period was 4.2 percent—1.5 percent after adjusting for inflation.

Also important:

- Because of the important role of grants and other forms of student aid in reducing the net price of college, published price increases do not necessarily correspond to increases in the amounts the majority of students and families pay.
- Increases in tuition and fees are driven by a variety of factors, including the effectiveness of campus cost-containment strategies and changes in funding from other sources such as state and local appropriations or endowments and private giving. The prices paid for the goods and services required for providing education, the patterns of expenditures, and the services offered on college campuses have changed considerably over time. See Figures 13a and 13b and Figures 14 and 15 for more information on institutional revenues and expenditures.

Tuition and Fee and Room and Board Charges over Time

Table 4a: Average Published Tuition and Fee and Room and Board Charges at Four-Year Institutions, Five-Year Intervals, 1977-78 to 2007-08 (Enrollment-Weighted)

Academic Year	Total Charges—Current Dollars				Total Charges—Constant (2007) Dollars			
	Private Four-Year	Five-Year % Change	Public Four-Year	Five-Year % Change	Private Four-Year	Five-Year % Change	Public Four-Year	Five-Year % Change
1977-78	\$4,240	—	\$2,038	—	\$14,404	—	\$6,923	—
1982-83	\$7,126	68%	\$3,196	57%	\$15,164	5%	\$6,801	-2%
1987-88	\$10,455	47%	\$4,199	31%	\$19,000	25%	\$7,631	12%
1992-93	\$15,027	44%	\$5,834	39%	\$22,173	17%	\$8,608	13%
1997-98	\$19,360	29%	\$7,469	28%	\$25,031	13%	\$9,657	12%
2002-03	\$24,867	28%	\$9,672	29%	\$28,610	14%	\$11,128	15%
2007-08	\$32,307	30%	\$13,589	40%	\$32,307	13%	\$13,589	22%

Table 4b: Average Published Tuition and Fee and Room and Board Charges at Four-Year Institutions, Yearly Intervals, 1997-98 to 2007-08 (Enrollment-Weighted)

Academic Year	Total Charges—Current Dollars				Total Charges—Constant (2007) Dollars			
	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change	Private Four-Year	Annual % Change	Public Four-Year	Annual % Change
1997-98	\$19,360	—	\$7,469	—	\$25,031	—	\$9,657	—
1998-99	\$20,463	5.7%	\$7,769	4.0%	\$26,036	4.0%	\$9,885	2.4%
1999-00	\$21,475	4.9%	\$8,080	4.0%	\$26,718	2.6%	\$10,053	1.7%
2000-01	\$22,240	3.6%	\$8,439	4.4%	\$26,758	0.1%	\$10,153	1.0%
2001-02	\$23,856	7.3%	\$9,032	7.0%	\$27,942	4.4%	\$10,579	4.2%
2002-03	\$24,867	4.2%	\$9,672	7.1%	\$28,610	2.4%	\$11,128	5.2%
2003-04	\$26,057	4.8%	\$10,530	8.9%	\$29,346	2.6%	\$11,859	6.6%
2004-05	\$27,465	5.4%	\$11,376	8.0%	\$30,132	2.7%	\$12,481	5.2%
2005-06	\$28,743	4.7%	\$12,115	6.5%	\$30,426	1.0%	\$12,824	2.8%
2006-07	\$30,497	6.1%	\$12,837	6.0%	\$31,095	2.2%	\$13,089	2.1%
2007-08	\$32,307	5.9%	\$13,589	5.9%	\$32,307	3.9%	\$13,589	3.8%

Sources: 1987-88 to 2007-08: data from *Annual Survey of Colleges*, The College Board, New York, NY, weighted by full-time undergraduate enrollment; 1977-78 to 1986-87: data from *Digest of Education Statistics*, NCES, weighted by full-time equivalent enrollment.

Current dollar charges reflect each year's actual dollar prices. Constant dollar charges adjust these prices for inflation. Increases in constant dollar prices indicate increases beyond the average increase in consumer prices. Charges for 2006-07 and earlier years are weighted by same-year enrollments. Charges for 2007-08 are weighted by 2006-07 enrollments.

Adding room and board charges to tuition and fees gives a more complete picture of the total price of a year of college. Students who reside off campus incur similar costs unless they live with family.

- Over the past decade, total charges for full-time students at private four-year colleges and universities have risen at an average rate of 5.3 percent per year—2.6 percent after adjusting for inflation.
- Over the past decade, total charges for full-time in-state students at public four-year colleges and universities have risen at an average rate of 6.2 percent per year—3.5 percent after adjusting for inflation.

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 Table 2 and Figure 2.
- About 40 percent of full-time dependent students enrolled in public four-year institutions live on campus. Another 40 percent live in off-campus housing and about 20 percent live with their parents. Among dependent private four-year college students, 64 percent live on campus, 19 percent live in off-campus housing, and 17 percent live with their parents. (*National Postsecondary Student Aid Study [NPSAS]: 2004*)

Changes over Time in Tuition and Fees and Total Charges

Figure 5: Average Published Tuition and Fees in Constant (2007) Dollars, 1977-78 to 2007-08 (Enrollment-Weighted)

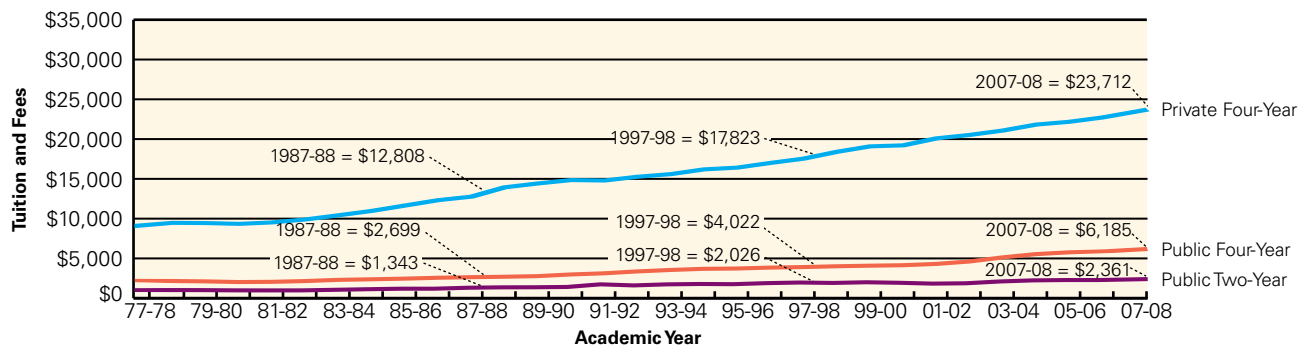
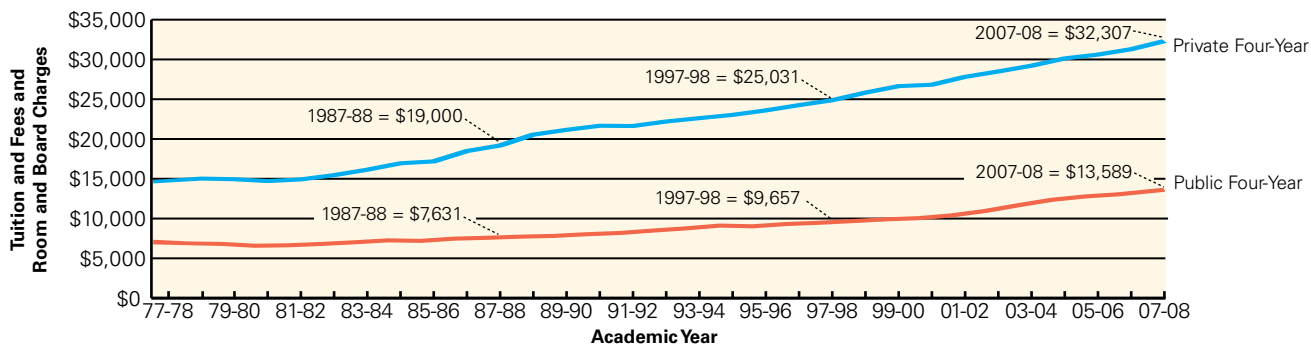


Figure 6: Average Published Tuition and Fee and Room and Board (TFRB) Charges at Four-Year Institutions in Constant (2007) Dollars, 1977-78 to 2007-08 (Enrollment-Weighted)



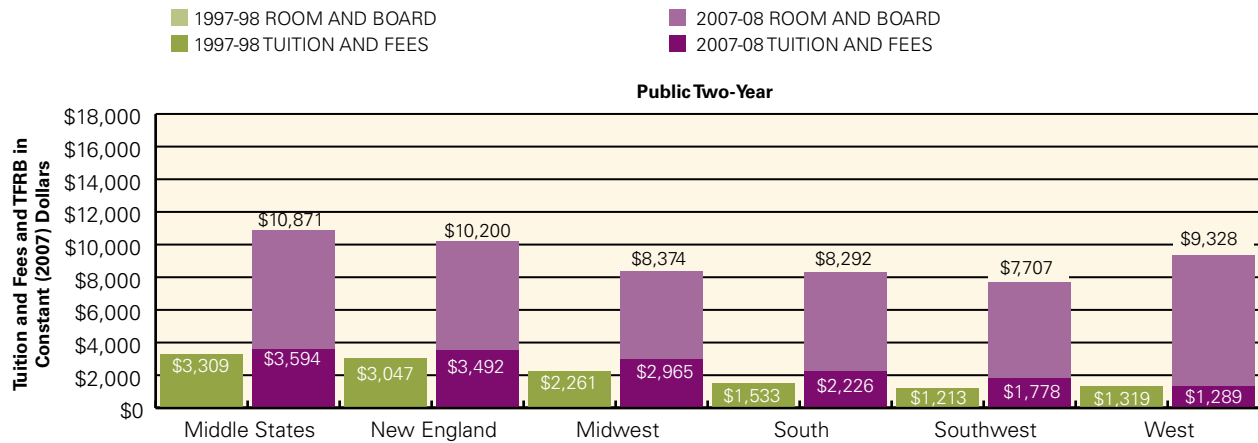
Sources: Tables 3a and 3b, Tables 4a and 4b, and data online (www.collegeboard.com/trends).

Over the 30 years from 1977-78 to 2007-08, the rate of growth in tuition and fees has been more rapid at public four-year institutions than at private four-year institutions, and has been slowest at public two-year institutions. However, the dollar gap between public and private four-year tuition and fees widens every year even after adjusting for inflation.

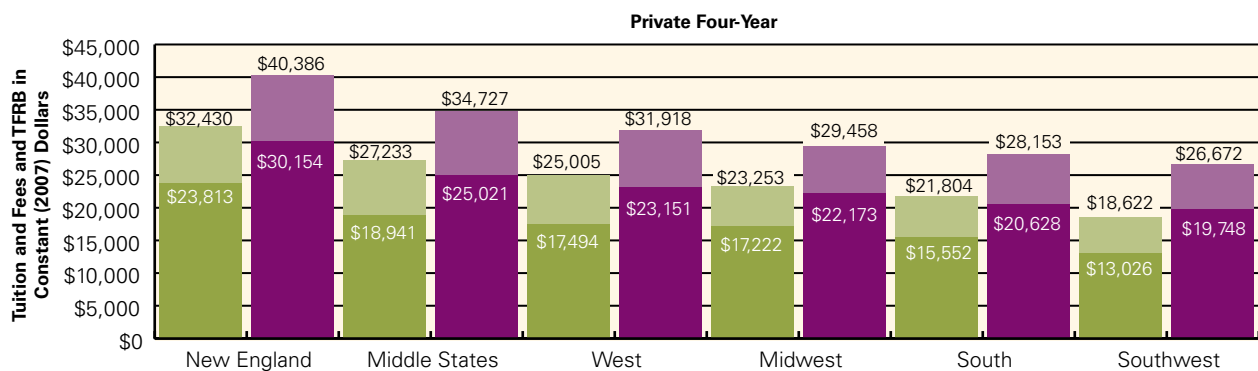
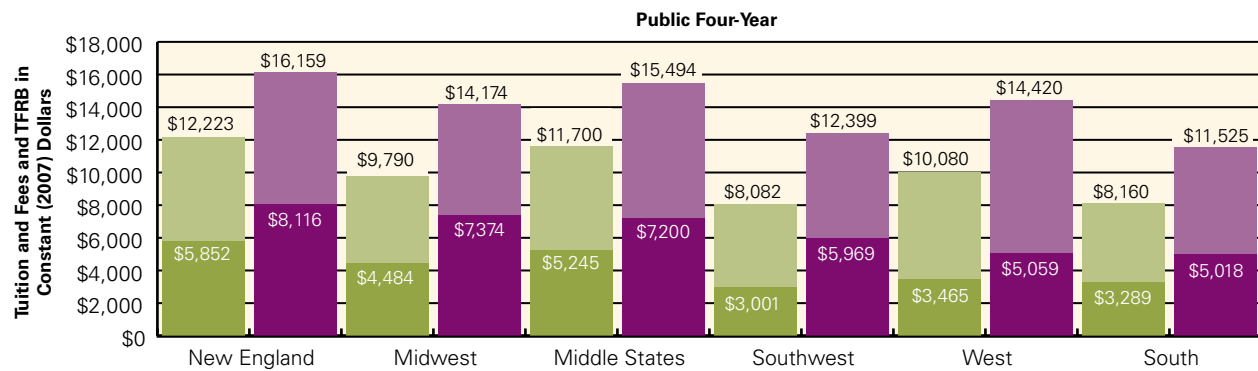
- The average annual inflation-adjusted increase in published tuition and fees at private four-year colleges and universities was 3.4 percent from 1977-78 to 1987-88, 3.4 percent in the next decade, and 2.9 percent from 1997-98 to 2007-08.
- The average annual inflation-adjusted increase in published in-state tuition and fees at public four-year colleges and universities was 2.0 percent from 1977-78 to 1987-88. It rose to 4.1 percent in the next decade and to 4.4 percent from 1997-98 to 2007-08.
- The average annual inflation-adjusted increase in published tuition and fees at public two-year colleges was 2.6 percent from 1977-78 to 1987-88, 4.2 percent in the next decade, and 1.6 percent from 1997-98 to 2007-08.
- Average published total TFRB charges at private four-year colleges and universities, \$32,307 in 2007-08, have risen at an average annual rate of 2.7 percent since 1977-78, after adjusting for inflation.
- Average published total in-state TFRB charges at public four-year colleges and universities, \$13,589 in 2007-08, have risen at an average annual rate of 2.3 percent since 1977-78, after adjusting for inflation.

Regional Variation in Charges

Figure 7: Tuition and Fee and Room and Board (TFRB) Charges by College Board Region and Sector, in Constant (2007) Dollars, 1997-98 and 2007-08 (Enrollment-Weighted)



Note: 2007-08 room and board charges are based on commuter housing and food costs; comparable data are not available for 1997-98.



The green bars report 1997-98 prices and the purple bars report 2007-08 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 the descending order of 2007-08 tuition and fees.

Over the decade from 1997-98 to 2007-08, college prices rose more rapidly in the Southwest than in other regions of the country. However, in all sectors, tuition and fees and total charges are lower in the Southwest than in most other parts of the country.

Student Budgets by Region

Table 5: Average Student Expenses by College Board Region, 2007-08 (Enrollment-Weighted)

Region	Sector	Tuition and Fees	Additional Out-of-State Charges*	Books and Supplies	Resident			Commuter		
					Room and Board	Transportation	Other Costs	Room and Board**	Transportation	Other Costs
National	Public Two-Year	\$2,361	\$4,202	\$921	—	—	—	\$6,875	\$1,270	\$1,699
	Public Four-Year	\$6,185	\$10,455	\$988	\$7,404	\$911	\$1,848	\$7,419	\$1,284	\$2,138
	Private Four-Year	\$23,712		\$988	\$8,595	\$768	\$1,311	\$7,499	\$1,138	\$1,664
New England	Public Two-Year	\$3,492	\$5,985	\$805	—	—	—	\$6,708	\$1,170	\$1,680
	Public Four-Year	\$8,116	\$11,920	\$906	\$8,043	\$531	\$1,262	\$6,862	\$929	\$1,586
	Private Four-Year	\$30,154		\$913	\$10,232	\$584	\$1,126	\$8,827	\$905	\$1,257
Middle States	Public Two-Year	\$3,594	\$3,654	\$877	—	—	—	\$7,277	\$1,135	\$1,421
	Public Four-Year	\$7,200	\$8,511	\$977	\$8,294	\$682	\$1,691	\$7,811	\$1,037	\$2,142
	Private Four-Year	\$25,021		\$962	\$9,706	\$618	\$1,194	\$8,224	\$1,057	\$1,602
South	Public Two-Year	\$2,226	\$4,887	\$852	—	—	—	\$6,066	\$1,480	\$1,151
	Public Four-Year	\$5,018	\$11,101	\$933	\$6,507	\$1,126	\$1,844	\$6,884	\$1,491	\$2,270
	Private Four-Year	\$20,628		\$977	\$7,525	\$993	\$1,451	\$7,080	\$1,362	\$1,877
Midwest	Public Two-Year	\$2,965	\$3,311	\$867	—	—	—	\$5,409	\$1,378	\$1,489
	Public Four-Year	\$7,374	\$10,730	\$860	\$6,800	\$832	\$1,991	\$6,244	\$1,172	\$2,004
	Private Four-Year	\$22,173		\$991	\$7,285	\$796	\$1,258	\$6,445	\$1,205	\$1,667
Southwest	Public Two-Year	\$1,778	\$2,388	\$829	—	—	—	\$5,929	\$1,469	\$1,719
	Public Four-Year	\$5,969	\$7,706	\$998	\$6,430	\$1,296	\$2,007	\$6,893	\$1,687	\$2,021
	Private Four-Year	\$19,748		\$1,046	\$6,924	\$963	\$1,493	\$6,286	\$1,263	\$1,732
West	Public Two-Year	\$1,289	\$4,782	\$1,110	—	—	—	\$8,039	\$1,072	\$2,148
	Public Four-Year	\$5,059	\$11,462	\$1,229	\$9,361	\$936	\$1,946	\$8,649	\$1,198	\$2,235
	Private Four-Year	\$23,151		\$1,119	\$8,767	\$787	\$1,733	\$7,640	\$1,021	\$1,823

— Sample too small to provide meaningful information.

* Average out-of-state charges measure the premium charged to students who are not state residents, weighted by full-time out-of-state enrollment. The out-of-state tuition and fees reported in Tables 1 and 2 reflect the sum of this premium and average in-state tuition and fees, which are weighted by total full-time enrollment.

** Room and board costs for commuter students are average estimated living expenses for students living off campus but not with parents, as reported by institutions in the *Annual Survey of Colleges*.

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

Average in-state tuition and fees at public four-year colleges and universities range from \$5,018 in the South to \$8,116 in New England.

- Average public two-year college tuition and fees range from a low of \$1,289 in the West to a high of \$3,594 in the Middle States region.
- Average tuition and fees at private four-year colleges and universities range from \$19,748 in the Southwest to \$30,154 in New England.
- Public four-year room and board charges are highest in the West and lowest in the Southwest. Private four-year room and board charges are highest in New England and lowest in the Southwest.
- Estimates of the annual cost of textbooks and supplies range from \$805 to \$1,229.

As the data on page 15 reveal, average tuition and fees for full-time students at public two-year colleges range from \$633 per year in California to \$5,692 in New Hampshire. At public four-year institutions, the range is from \$3,361 in Florida (and \$1,777 in Puerto Rico) to \$10,428 in Vermont. Average private four-year college tuition and fees range from \$4,935 in Utah to \$31,052 in Massachusetts.

Tuition and Fees by State

Table 6: Average Published Tuition and Fees by State, 2006-07 and 2007-08 (Enrollment-Weighted)

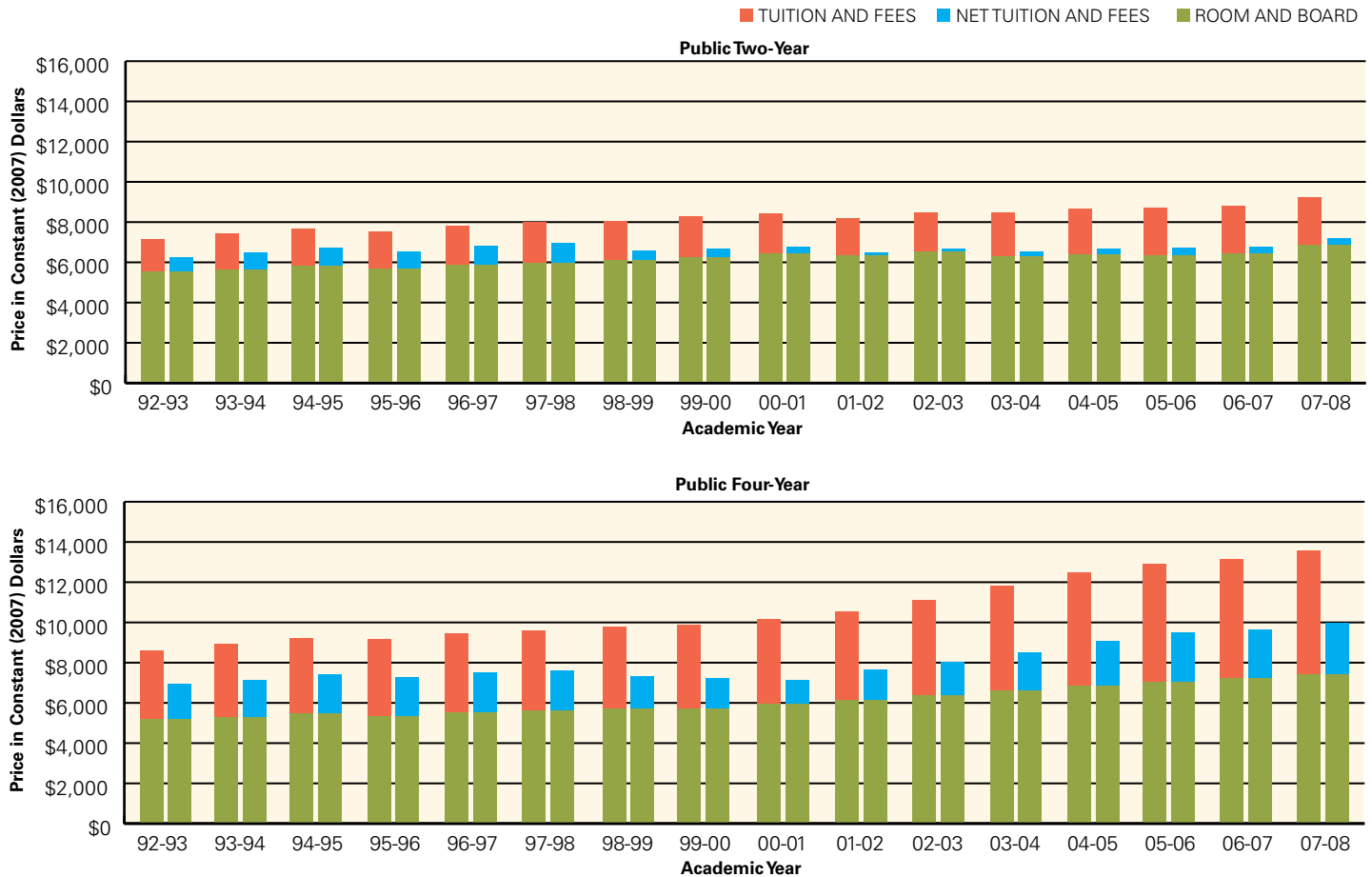
Region	State	Public Two-Year			Public Four-Year			Private Four-Year		
		2007-08	2006-07	% Change	2007-08	2006-07	% Change	2007-08	2006-07	% Change
New England	Connecticut	\$2,828	\$2,672	6%	\$7,586	\$7,135	6%	\$30,273	\$28,547	6%
	Maine	\$3,171	\$2,926	8%	\$7,316	\$6,616	11%	\$28,073	\$26,635	5%
	Massachusetts	\$3,702	\$3,579	3%	\$7,897	\$7,583	4%	\$31,052	\$29,299	6%
	New Hampshire	\$5,692	\$5,234	9%	\$9,673	\$9,127	6%	\$28,365	\$26,841	6%
	Rhode Island	\$2,846	\$2,686	6%	\$7,192	\$6,787	6%	\$28,066	\$26,541	6%
	Vermont	\$5,500	\$5,230	5%	\$10,428	\$9,783	7%	\$28,117	\$25,629	10%
Middle States	Delaware	\$2,422	\$2,310	5%	\$7,811	\$7,403	6%	\$12,329	\$11,573	7%
	District of Columbia	—	—	—	\$3,770	\$3,210	17%	\$29,757	\$27,658	8%
	Maryland	\$3,180	\$3,122	2%	\$7,304	\$7,216	1%	\$28,247	\$26,497	7%
	New Jersey	\$3,342	\$3,188	5%	\$9,984	\$9,331	7%	\$26,795	\$25,175	6%
	New York	\$3,552	\$3,460	3%	\$5,090	\$5,041	1%	\$27,170	\$25,446	7%
	Pennsylvania	\$4,556	\$4,361	4%	\$9,672	\$9,051	7%	\$27,272	\$25,675	6%
	Puerto Rico	—	—	—	\$1,777	\$1,421	25%	\$4,809	\$4,763	1%
South	Alabama	\$2,804	\$2,786	1%	\$5,245	\$4,906	7%	\$14,530	\$13,512	8%
	Florida	\$2,032	\$2,031	0%	\$3,361	\$3,315	1%	\$22,408	\$21,192	6%
	Georgia	\$2,316	\$2,236	4%	\$4,262	\$3,909	9%	\$21,406	\$20,124	6%
	Kentucky	\$3,450	\$3,270	6%	\$6,287	\$5,764	9%	\$17,964	\$16,926	6%
	Louisiana	\$1,921	\$1,875	2%	\$3,825	\$3,770	1%	\$23,590	\$22,122	7%
	Mississippi	\$1,716	\$1,693	1%	\$4,807	\$4,450	8%	\$12,785	\$12,263	4%
	North Carolina	\$1,336	\$1,257	6%	\$4,320	\$4,067	6%	\$22,144	\$20,790	7%
	South Carolina	\$3,239	\$3,125	4%	\$8,380	\$7,913	6%	\$18,708	\$17,588	6%
	Tennessee	\$2,632	\$2,490	6%	\$5,370	\$4,973	8%	\$19,639	\$18,484	6%
	Virginia	\$2,556	\$2,372	8%	\$7,005	\$6,556	7%	\$21,454	\$20,396	5%
Midwest	Illinois	\$2,478	\$2,301	8%	\$9,008	\$8,058	12%	\$23,613	\$22,167	7%
	Indiana	\$3,007	\$2,882	4%	\$6,877	\$6,555	5%	\$24,856	\$23,545	6%
	Iowa	\$3,365	\$3,202	5%	\$6,218	\$5,900	5%	\$22,231	\$20,745	7%
	Kansas	\$1,929	\$1,887	2%	\$5,762	\$5,213	11%	\$17,183	\$16,150	6%
	Michigan	\$2,338	\$2,231	5%	\$8,508	\$7,673	11%	\$16,868	\$15,964	6%
	Minnesota	\$4,443	\$4,264	4%	\$7,809	\$7,518	4%	\$25,553	\$23,916	7%
	Missouri	\$2,520	\$2,391	5%	\$6,845	\$6,526	5%	\$20,671	\$19,482	6%
	Nebraska	\$2,178	\$2,013	8%	\$5,575	\$5,229	7%	\$17,729	\$16,752	6%
	North Dakota	\$3,450	\$3,304	4%	\$5,801	\$5,512	5%	\$11,694	\$11,171	5%
	Ohio	\$3,483	\$3,435	1%	\$8,490	\$8,445	1%	\$23,820	\$22,396	6%
	South Dakota	\$3,680	\$3,449	7%	\$5,296	\$4,969	7%	\$18,455	\$17,393	6%
	Wisconsin	\$3,270	\$3,145	4%	\$6,413	\$6,042	6%	\$22,576	\$21,385	6%
	West Virginia	\$2,264	\$2,207	3%	\$4,406	\$4,166	6%	\$16,196	\$15,488	5%
Southwest	Arkansas	\$2,163	\$2,095	3%	\$5,587	\$5,314	5%	\$14,840	\$13,801	8%
	New Mexico	\$1,139	\$1,102	3%	\$4,260	\$4,056	5%	\$25,922	\$24,252	7%
	Oklahoma	\$2,473	\$2,306	7%	\$4,993	\$4,432	13%	\$17,188	\$16,256	6%
	Texas	\$1,695	\$1,610	5%	\$6,437	\$5,985	8%	\$20,848	\$19,276	8%
West	Alaska	\$3,660	\$3,360	9%	\$4,429	\$4,194	6%	\$17,943	\$16,731	7%
	Arizona	\$1,706	\$1,660	3%	\$4,960	\$4,674	6%	\$20,953	\$20,003	5%
	California	\$633	\$724	-13%	\$4,971	\$4,549	9%	\$29,810	\$28,077	6%
	Colorado	\$2,464	\$2,376	4%	\$5,546	\$4,772	16%	\$28,372	\$26,731	6%
	Hawaii	\$1,945	\$1,732	12%	\$5,021	\$4,227	19%	\$10,391	\$9,835	6%
	Idaho	\$2,086	\$1,979	5%	\$4,382	\$4,156	5%	\$5,504	\$5,326	3%
	Montana	\$2,730	\$2,572	6%	\$5,313	\$5,258	1%	\$18,362	\$17,093	7%
	Nevada	\$1,763	\$1,695	4%	\$3,955	\$3,645	9%	\$22,305	\$20,873	7%
	Oregon	\$3,204	\$3,161	1%	\$5,948	\$5,576	7%	\$26,738	\$25,018	7%
	Utah	\$2,443	\$2,324	5%	\$4,076	\$3,816	7%	\$4,935	\$4,649	6%
	Washington	\$2,909	\$2,738	6%	\$5,974	\$5,670	5%	\$25,760	\$24,147	7%
	Wyoming	\$1,922	\$1,830	5%	\$3,554	\$3,515	1%	—	—	—

— Data are insufficient to report.

Notes: Data on individual states should be interpreted with caution because of the possible impact of reporting errors and missing data on states with small numbers of institutions. In Colorado, all state residents enrolled in public institutions and selected private institutions are eligible for tuition vouchers from the College Opportunity Fund. The tuition figures reported here are based on prices that include the voucher amount, but not all institutions reported this information in a consistent manner.

Net Price: Public Institutions

Figure 8a: Published Tuition and Fees and Room and Board (TFRB) Compared to TFRB Net of Average Grant and Education Tax Benefits per Full-Time Undergraduate Student at Public Colleges and Universities, in Constant (2007) Dollars, 1992-93 to 2007-08



Note: Grant aid and tax benefits for 2007-08 are estimated based on 2006-07 and earlier data.

Sources: Aid data are from *Trends in Student Aid 2007*; breakdown of aid by sector is based on NPSAS: 1993, 1996, 2000 and 2004; calculations by authors.

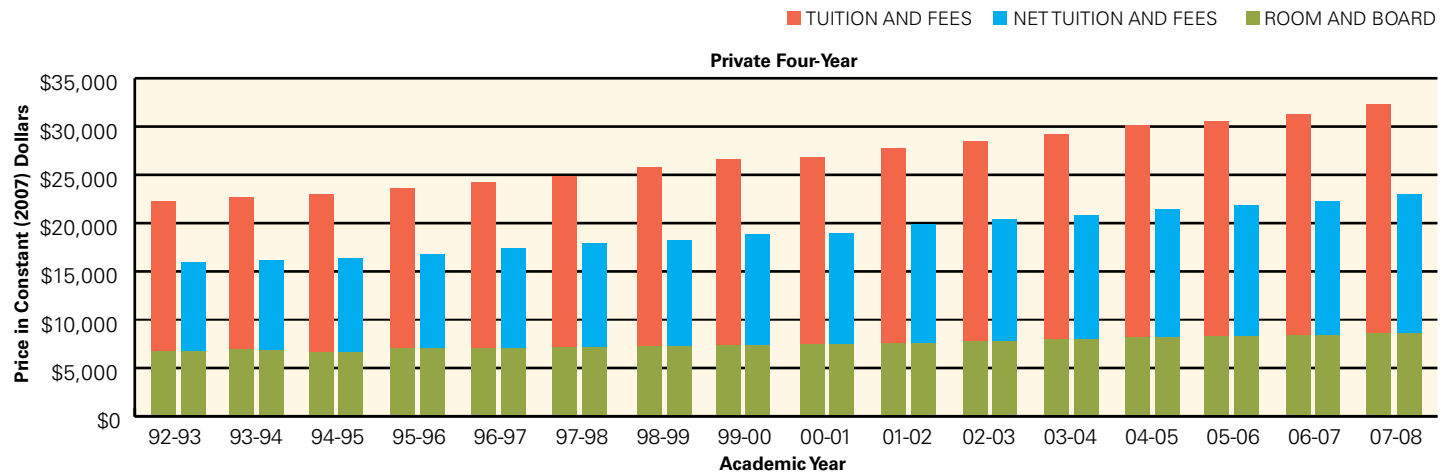
Average net price is calculated by subtracting average grant aid and tax benefits per full-time student from the published price. Average aid is calculated by dividing total grants and tax benefits received by full-time students in the sector by the number of full-time students.

On average, full-time students enrolled in public four-year colleges and universities receive about \$3,600 in grants from all sources and tax benefits. This aid reduces the average tuition and fees paid from the published 2007-08 in-state price of \$6,185 to about \$2,600.

- On average, full-time students enrolled in public two-year colleges receive about \$2,040 in grants from all sources and tax benefits. This aid reduces the average tuition and fees paid from the published 2007-08 price of \$2,361 to about \$320 per year.
- Average net tuition and fees at public four-year colleges and universities declined by about \$400 between 1997-98 and 2002-03, after having risen about \$250 between 1992-93 and 1997-98. The net price rose rapidly over the most recent five years, increasing by \$960.
- Average net tuition and fees at public two-year colleges declined by about \$830 between 1997-98 and 2002-03, reaching a low of about \$130, after having risen about \$220 between 1992-93 and 1997-98. The net price rose about \$190 over the most recent five years.
- At public four-year institutions and particularly at public-two year institutions, the room and board component of the net cost of attendance is much larger than net tuition and fees.

Net Price: Private Four-Year Institutions

Figure 8b: Published Tuition and Fees and Room and Board (TFRB) Compared to TFRB Net of Average Grant and Education Tax Benefits per Full-Time Undergraduate Student at Private Colleges and Universities, in Constant (2007) Dollars, 1992-93 to 2007-08



Note: Grant aid and tax benefits for 2007-08 are estimated based on 2006-07 and earlier data.

Sources: Aid data are from *Trends in Student Aid 2007*; breakdown of aid by sector is based on NPSAS: 1993, 1996, 2000 and 2004; calculations by authors.

Average net price is calculated by subtracting average grant aid and tax benefits per full-time student from the published price. Average aid is calculated by dividing total grants and tax benefits received by full-time students in the sector by the number of full-time students.

On average, full-time students enrolled in private four-year colleges and universities receive about \$9,300 in grants from all sources and tax benefits. This aid reduces the average tuition and fees paid from the published 2007-08 price of \$23,712 to about \$14,400.

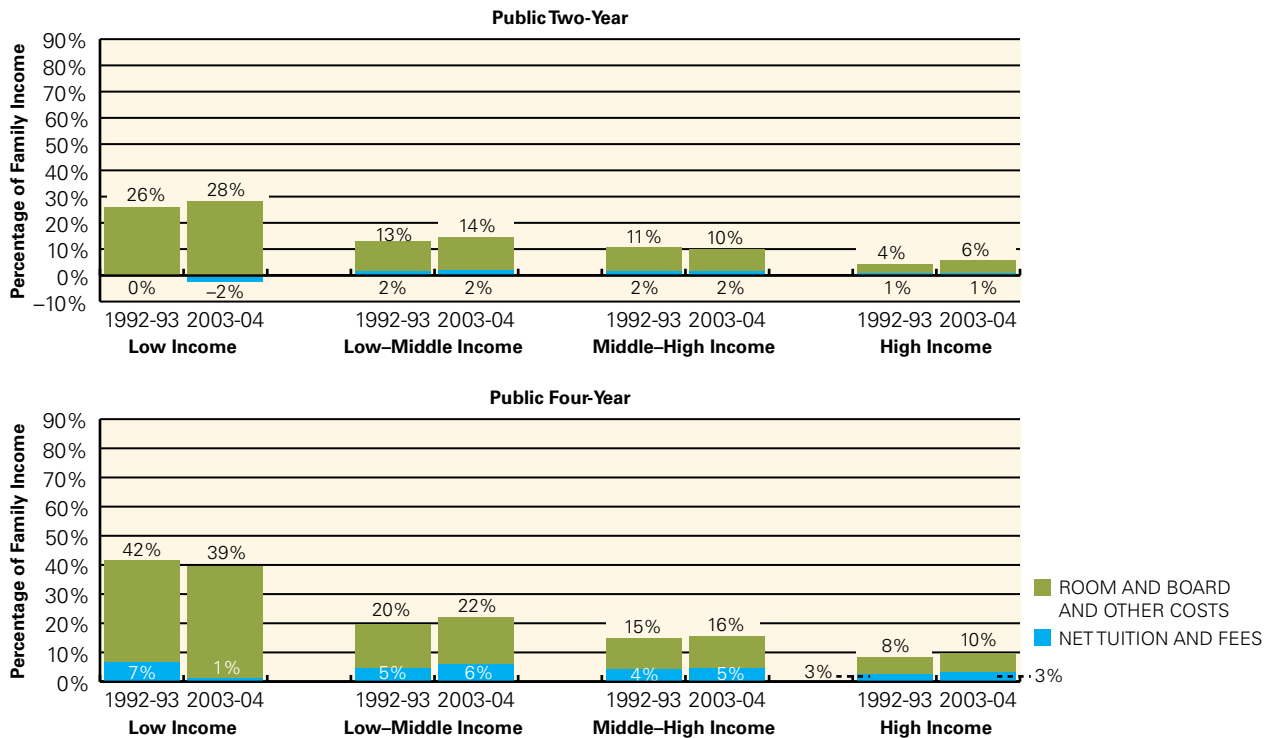
- Net tuition and fees in private four-year colleges and universities have grown at about the same rate as published tuition and fees over the decade from 1997-98 to 2007-08. The published price has increased by \$6,001, compared to an increase of about \$3,600 in the net price.
- Average total charges, including room and board in addition to tuition and fees, increased by \$7,280 (in 2007 dollars) between 1997-98 and 2007-08, while average total charges net of grant aid and tax benefits increased by about \$4,940.

Net Tuition and Fees and Net TFRB by Sector in Constant (2007) Dollars, 1992-93 to 2007-08

	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Public Two-Year																
Net Tuition and Fees	\$740	\$870	\$900	\$850	\$940	\$960	\$500	\$440	\$290	\$160	\$130	\$200	\$290	\$350	\$300	\$320
Net TFRB	\$6,260	\$6,510	\$6,730	\$6,560	\$6,830	\$6,980	\$6,650	\$6,710	\$6,740	\$6,510	\$6,700	\$6,540	\$6,690	\$6,670	\$6,730	\$7,200
Public Four-Year																
Net Tuition and Fees	\$1,770	\$1,900	\$1,940	\$1,930	\$2,000	\$2,020	\$1,640	\$1,530	\$1,450	\$1,500	\$1,630	\$1,920	\$2,220	\$2,410	\$2,420	\$2,580
Net TFRB	\$6,930	\$7,180	\$7,400	\$7,270	\$7,510	\$7,650	\$7,390	\$7,400	\$7,390	\$7,670	\$8,040	\$8,550	\$9,080	\$9,430	\$9,590	\$9,980
Private Four-Year																
Net Tuition and Fees	\$9,140	\$9,350	\$9,660	\$9,770	\$10,350	\$10,840	\$11,000	\$11,430	\$11,480	\$12,380	\$12,600	\$12,940	\$13,350	\$13,550	\$13,770	\$14,400
Net TFRB	\$15,900	\$16,230	\$16,320	\$16,800	\$17,440	\$18,050	\$18,320	\$18,840	\$18,900	\$19,970	\$20,440	\$20,940	\$21,490	\$21,770	\$22,120	\$23,000

Net Price Relative to Income: Public Institutions

Figure 9a: Net Tuition and Fees and Net Cost of Attendance As a Percentage of Family Income of Full-Time Dependent Students at Public Institutions, 1992-93 and 2003-04



Notes: Net price is defined here as published price less grant aid. Total net cost of attendance equals tuition and fees net of grant aid plus room and board and other costs. Unlike the calculations of net price in Figures 8a and 8b, tax credits and deductions are not subtracted. Percentages are based on the actual net 1992-93 and 2003-04 prices and 1991 and 2002 family incomes of students enrolled in each sector. Income categories are based on quartiles of families in U.S. Census Bureau data with heads of households ages 45-54. For 2002, low income is less than \$40,000, low-middle income is between \$40,000 and \$69,999, middle-high income is between \$70,000 and \$99,999, and high income is \$100,000 and higher. For 1991, low income is less than \$30,000, low-middle income is between \$30,000 and \$49,999, middle-high income is between \$50,000 and \$69,999, and high income is \$70,000 and higher.

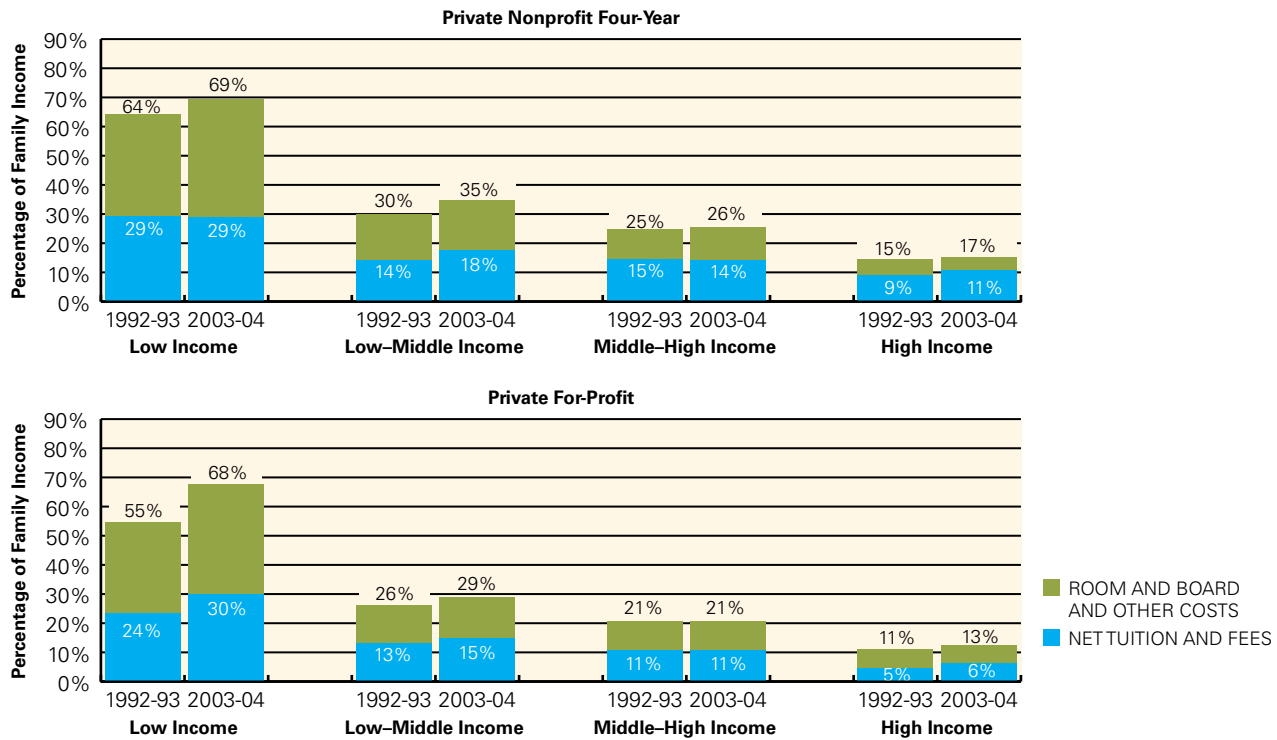
Sources: NPSAS: 1993 and 2004; U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, 1992 and 2003; calculations by authors.

Average net tuition and fees required a lower percentage of income for low-income families with students enrolled full-time at public two-year and four-year colleges in 2003-04 than in 1992-93. The same was not true for higher-income families.

- When living costs are taken into consideration, the average total cost of attendance net of grant aid from all sources declined at public four-year colleges for students from low-income families, from 42 percent of income in 1992-93 to 39 percent in 2003-04, but rose from 26 percent to 28 percent at public two-year colleges.
- In 2003-04, grant aid to low-income students enrolled in public two-year and four-year colleges allowed them to pay lower proportions of their incomes than students from higher-income families for net tuition and fees. However, when living costs are also considered, the burden for low-income families was disproportionately high.
- In 2003-04, average tuition and fees for full-time students enrolled in public four-year colleges and universities ranged from 1 percent to 6 percent of family income. However, the total student budget including living costs ranged from 10 percent of income for the students from the wealthiest families to 39 percent of income for students from the lowest-income families.

Net Price Relative to Income: Private Institutions

Figure 9b: Net Tuition and Fees and Net Cost of Attendance As a Percentage of Family Income of Full-Time Dependent Students at Private Institutions, 1992-93 and 2003-04



Notes: Net price is defined here as published price less grant aid. Total net cost of attendance equals tuition and fees net of grant aid plus room and board and other costs. Unlike the calculations of net price in Figures 8a and 8b, tax credits and deductions are not subtracted. Percentages are based on the actual 1992-93 and 2003-04 net prices and 1991 and 2002 family incomes of students enrolled in each sector. Income categories are based on quartiles of families in U.S. Census Bureau data with heads of households ages 45-54. For 2002, low income is less than \$40,000, low-middle income is between \$40,000 and \$69,999, middle-high income is between \$70,000 and \$99,999, and high income is \$100,000 and higher. For 1991, low income is less than \$30,000, low-middle income is between \$30,000 and \$49,999, middle-high income is between \$50,000 and \$69,999, and high income is \$70,000 and higher.

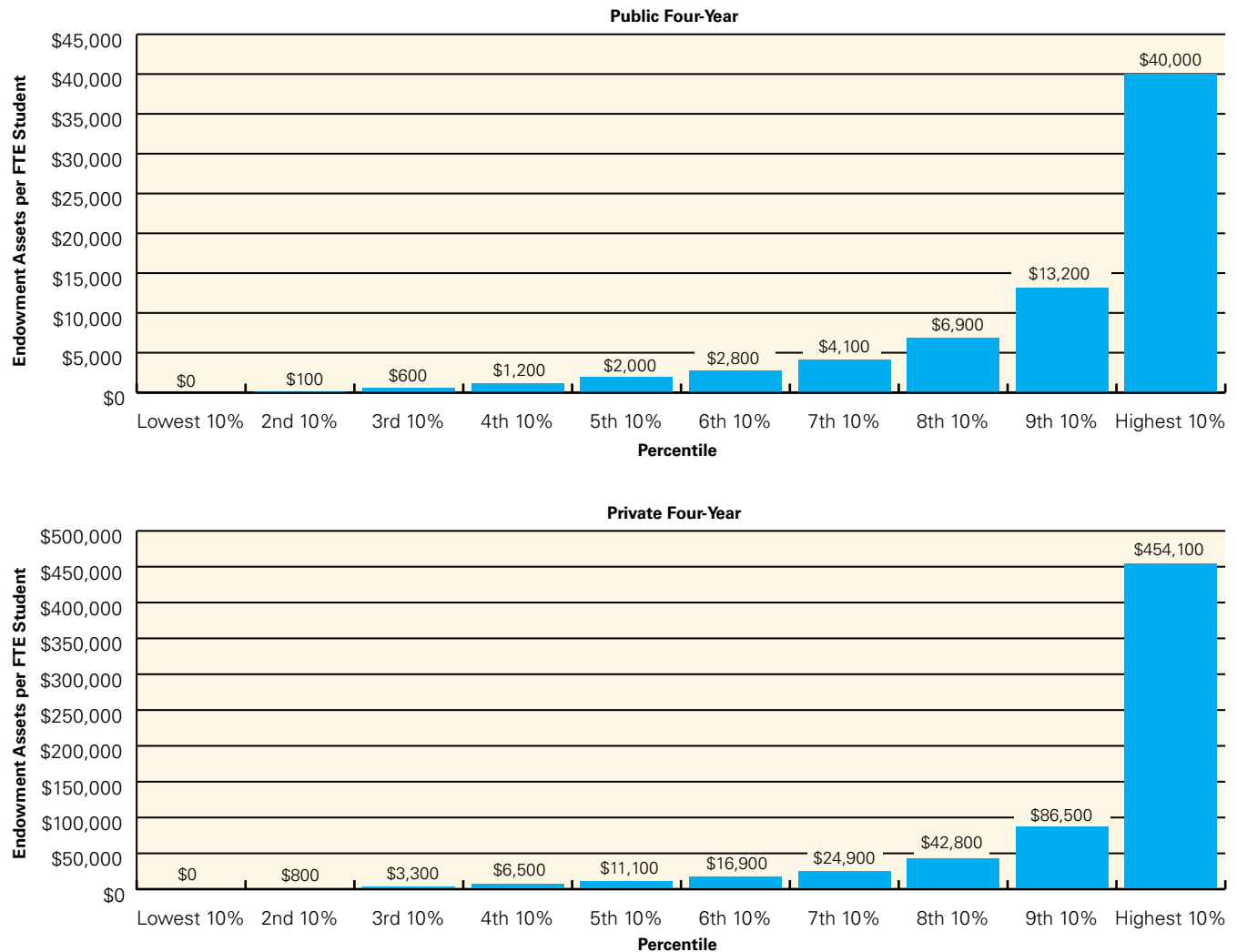
Sources: NPSAS: 1993 and 2004; U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, 1992 and 2003; calculations by authors.

Between 1992-93 and 2003-04, tuition and fees net of grant aid from all sources as a percentage of family income rose from 14 percent to 18 percent for lower-middle-income students enrolled in private nonprofit four-year colleges and universities, but remained steady at 29 percent for lower-income students.

- When living costs are considered, the proportion of income required for full-time attendance at private nonprofit four-year institutions rose significantly for all students in the lower half of the income distribution.
- For low-income families, net tuition and fees at for-profit colleges rose from an average of 24 percent of income in 1992-93 to 30 percent in 2003-04, while total net cost of attendance rose from 55 percent to 68 percent of income. Net prices increased less as a percentage of income for students from higher-income families attending for-profit institutions.
- In all sectors, dollar increases in grant aid over this time period were larger at lower income levels. However, percentage increases in grant aid were largest for the wealthiest students.

Endowments

Figure 10: Endowment Assets per Full-Time Equivalent (FTE) Student at Four-Year Colleges and Universities, 2006



Notes: Endowment assets are based on data for 639 public four-year institutions and 1,443 private four-year institutions. For most institutions, the value of endowment assets was as of June 30, 2006. Average endowment per FTE for each decile of institutions is calculated by dividing the total value of endowments in the group of institutions by total FTE enrollment in those institutions. Because of data limitations, some state systems are counted as individual institutions.

Sources: National Association of College and University Business Officers (NACUBO) Endowment Study; Integrated Postsecondary Education Data System (IPEDS); calculations by authors.

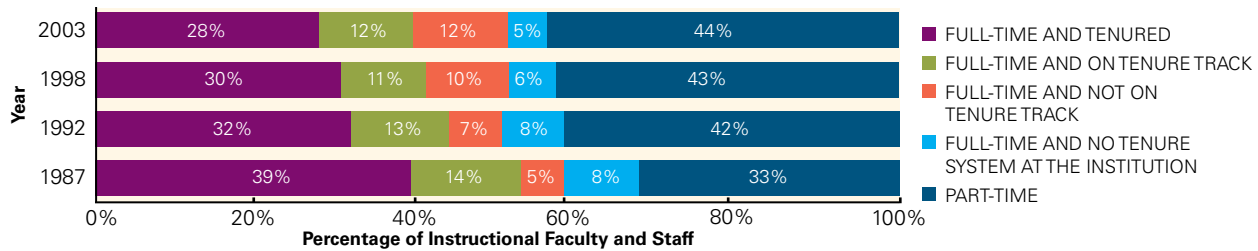
Endowment assets include funds that by law must be preserved, with only the income available for spending, because of restrictions placed by donors. Institutional policy dictates the preservation of other endowment funds. Most colleges and universities spend 4 to 6 percent of the value of their endowments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

Endowment funds are concentrated in a small number of institutions in both the public and the private sectors, with the wealthiest 10 percent of colleges and universities holding most of the assets.

- In 2006, the wealthiest 10 percent of public four-year colleges and universities had an estimated average of about \$40,000 in endowment per student, compared to just over \$2,000 at the median institution.
- As a whole, public four-year colleges and universities had an average of about \$13,800 in endowment assets per FTE student.
- In 2006, the wealthiest 10 percent of private four-year colleges and universities had an estimated average of about \$454,100 in endowment per student, compared to about \$15,000 at the median institution.
- As a whole, private four-year colleges and universities had an average of about \$82,700 in endowment assets per FTE student.

Faculty and Staff

Figure 11a: Distribution of Instructional Faculty and Staff at Degree-Granting Institutions, by Employment and Tenure Status, 1987, 1992, 1998, and 2003



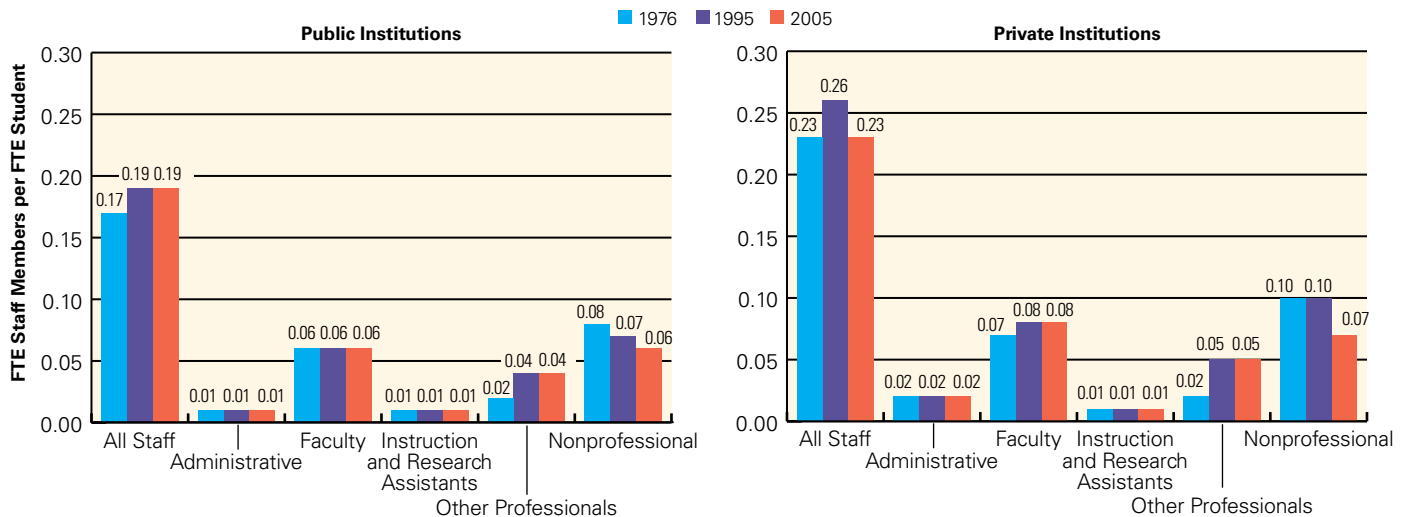
Note: Percentages may not sum to 100 due to rounding.

Sources: Cataldi, E. F., Bradburn, E. M., and Fahimi, M. (2005), *2004 National Study of Postsecondary Faculty (NSOPF:04): Background Characteristics, Work Activities, and Compensation of Instructional Faculty and Staff: Fall 2003* (NCES 2006-176), Table 12; Ma, Jennifer, "Recent Trends in Faculty Demographics and Employment Patterns," TIAA-CREF Institute *Trends and Issues Report*, November 2004, Table 3; calculations by authors.

The proportion of faculty members who are full-time and tenured declined from 39 percent in 1987 to 28 percent in 2003.

- The proportion of faculty members who are part-time increased from 33 percent to 42 percent between 1987 and 1992 and was 44 percent in 2003.
- The proportion of faculty members at colleges and universities that offer tenure who are full-time but neither tenured nor on tenure track rose from 5 percent in 1987 to 12 percent in 2003.

Figure 11b: Full-Time Equivalent (FTE) Staff Members per FTE Student in Public and Private Degree-Granting Institutions, 1976, 1995, and 2005



Notes: Students and staff are measured in full-time equivalent terms. For students, approximately three part-time students are counted as one full-time student. Nonprofessional staff include technical and paraprofessional, clerical and secretarial, skilled craft, and service and maintenance staff. Degree-granting institutions include two-year colleges granting associate degrees in addition to four-year colleges and universities.

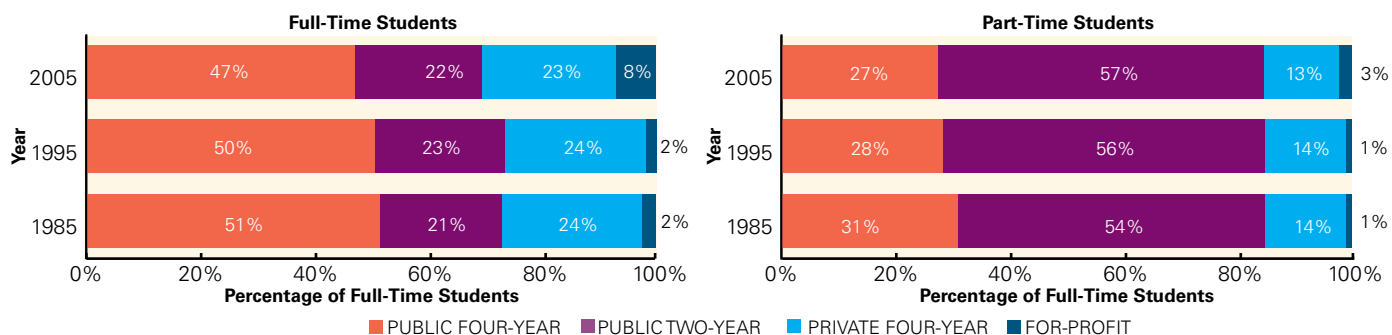
Source: *Digest of Education Statistics 2006*, Table 237.

The number of FTE staff members per student remained steady in public colleges and universities and declined in the private sector between 1995 and 2005, after increasing over the previous 20 years in both sectors.

- In 2005, there were 0.06 faculty members per student—or 16.1 students per faculty member—in public institutions. Private institutions had 0.08 faculty members per student, or 12.7 students per faculty member.
- Faculty constitute about one-third of the staff in both public and private institutions.
- In public colleges and universities, nonprofessional staff declined from 45 percent of the total in 1976 to 38 percent in 1995 and 32 percent in 2005. A similar decline took place in private institutions, from 46 percent to 38 percent and to 30 percent over the same years.
- In private colleges and universities, with an average of about 1,500 FTE students, there were 0.02 administrators per student (41 students per administrator) in 2005. In public institutions, with an average of about 5,550 FTE students and greater economies of scale, there were 0.01 administrators per student (95 students per administrator).

Enrollment Trends

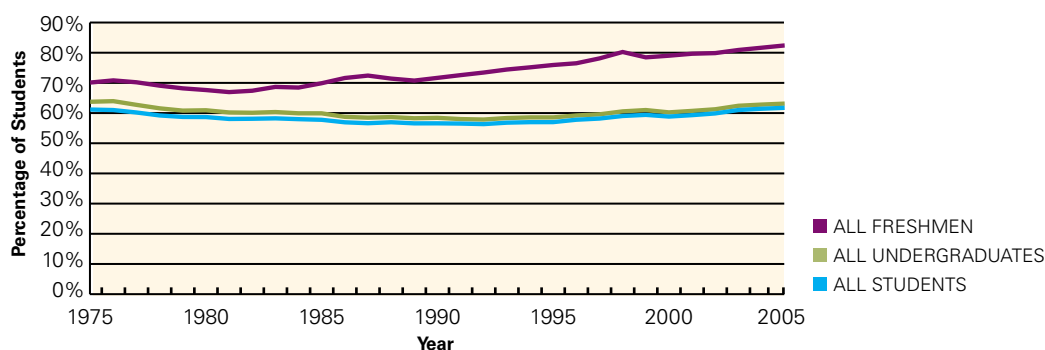
Figure 12a: Full-Time and Part-Time Enrollments by Sector, 1985, 1995, and 2005



Note: Percentages may not sum to 100 due to rounding.

Sources: *Digest of Education Statistics 2006*, Table 182.

Figure 12b: Percentage of Students Who Are Full-Time: All First-Year Students, All Undergraduates, and All Postsecondary Students, 1975–2005



Sources: *Digest of Education Statistics 2006*, Table 175, Table 184, and Table 190.

In fall 1995, 2 percent of full-time students were enrolled in for-profit institutions. By fall 2005, that share had risen to 8 percent. The largest shift was from public four-year institutions, but all other sectors declined as well.

- Total full-time enrollment rose from 7.1 million in 1985 to 8.1 million in 1995, and to 10.8 million in 2005.
- Total part-time enrollment rose from 5.2 million in 1985 to 6.1 million in 1995, and to 6.7 million in 2005.
- In 2005, almost 60 percent of part-time students were enrolled in public two-year colleges.
- Over the past decade, part-time enrollment as a share of the total has declined. The proportion of freshmen enrolled full-time rose from 70 percent in 1975 and 1985 to 76 percent in 1995, and to 82 percent in 2005.
- The proportion of all undergraduates enrolled full-time fell from 64 percent in 1975 to 60 percent in 1985, and to 58 percent in 1995, but had risen to 63 percent by 2005.
- When graduate students are also considered, full-time enrollment fell from 61 percent of all postsecondary students in 1975 to 58 percent in 1985, and to 57 percent in 1995, but rose to 62 percent in 2005.

Also important:

- Enrollment patterns by race/ethnicity and gender have also changed over time. The proportion of undergraduate students who were male fell from 52 percent in 1976 to 45 percent in 1990, and to 43 percent in 2004.
- The proportion of undergraduate students who were white fell from 83 percent in 1976 to 79 percent in 1990, and to 68 percent in 2004. Enrollment of black students increased from 10 percent of the total in 1976 and 13 percent in 1990, and to 12 percent in 2004. Hispanic students constituted 4 percent of all undergraduates in 1976, 6 percent in 1990, and 12 percent in 2004, while the share of Asian students rose from 2 percent to 4 percent and to 7 percent over the same years. (Ramani, Gilbertson, Fox, and Provasnik, *Status and Trends in the Education of Racial and Ethnic Minorities*, NCES 2007-039, Tables 23.1, A-23.1)

Institutional Revenues: Public Appropriations

Figure 13a: Annual Percentage Changes in Educational Appropriations per Public Full-Time Equivalent (FTE) Student and in Tuition and Fees at Public Four-Year Institutions in Constant (2007) Dollars, 1980-81 to 2005-06

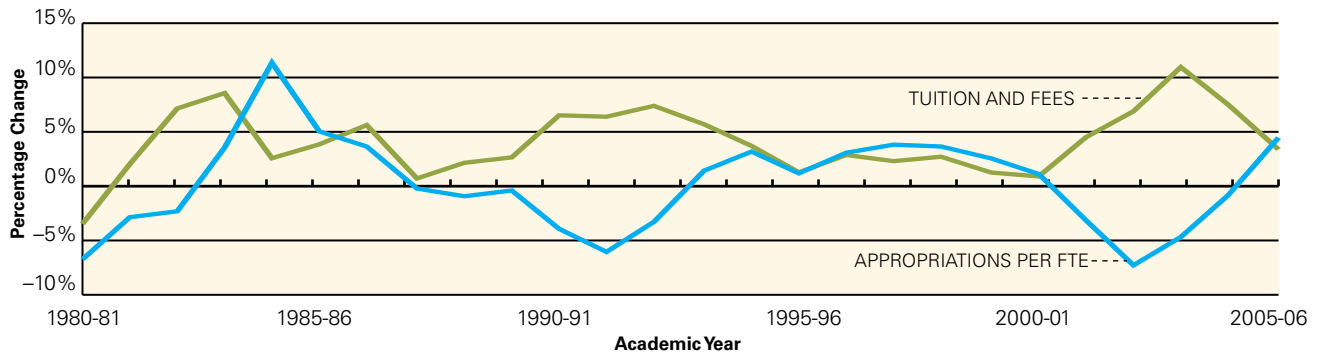
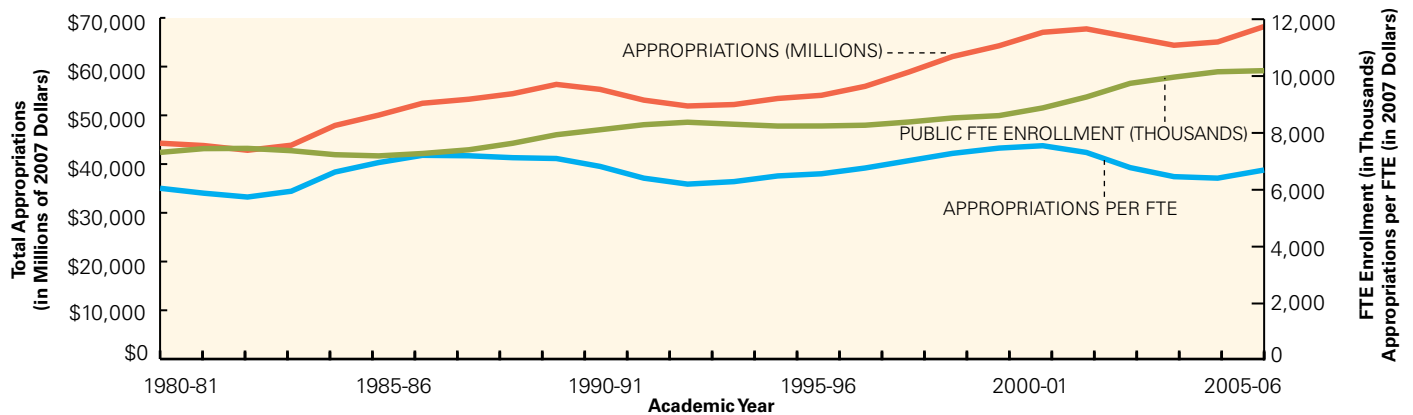


Figure 13b: Educational Appropriations for Higher Education Institutions: Total Appropriations in Constant (2007) Dollars (in Millions), Appropriations per Public FTE Student in Constant (2007) Dollars, and Public FTE Enrollments (in Thousands), 1980-81 to 2005-06



Notes: Educational 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).

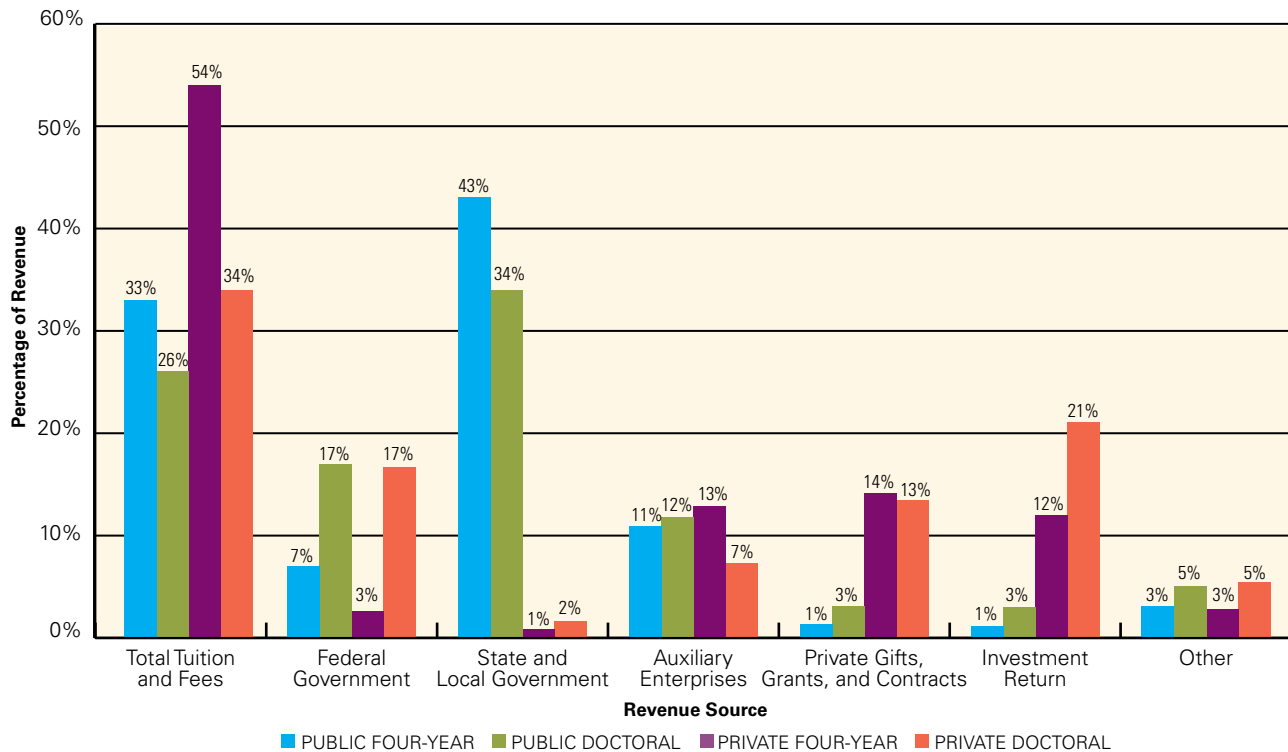
Sources: Table 3a and data online (www.collegeboard.com/trends); SHEEO, 2006.

State and local appropriations per student declined in inflation-adjusted dollars in fiscal years 1981 through 1983, 1989 through 1993, and 2002 through 2005. These years correspond to the years of the largest increases in tuition and fees at public four-year colleges and universities.

- Growth in state and local appropriations recovered in 2005-06, increasing 4.5 percent, a high rate by historical standards.
- Total state and local appropriations for higher education instruction grew at an average annual rate of 0.9 percent from 1985-86 through 1995-96 and 2.4 percent from 1995-96 through 2005-06, after adjusting for inflation.
- Total full-time equivalent enrollments in public institutions rose at an average annual rate of 1.4 percent per year from 1985-86 through 1995-96 and 2.1 percent from 1995-96 through 2005-06.
- State and local appropriations per student were \$6,695 in 2005-06, 2 percent higher than the 1995-96 level of \$6,563 (in 2007 dollars), but 4 percent lower than the 1985-86 level of \$6,958.

Institutional Revenues

Figure 14: Revenue Sources: Public Four-Year Colleges, Public Doctoral Universities, Private Four-Year Colleges, and Private Doctoral Universities, 2005-06



Notes: Tuition and fee revenues reported here are gross revenues, including tuition and fees and discounts for institutional aid. Federal revenues include grants and contracts for research, public service, and training activities. Auxiliary enterprises include dormitories, food services, health services, and other self-supporting enterprises. Investment return revenues are average dollar returns over a five-year period.

Sources: Preliminary data from IPEDS, 2005-06; calculations by authors.

Total tuition and fees, including the discounts offered in the form of institutional grants, constitute 54 percent of revenues at private four-year undergraduate colleges, compared to 34 percent at private doctoral universities. Tuition and fees constitute 33 percent of revenues at public four-year undergraduate colleges and 26 percent at public doctoral universities.

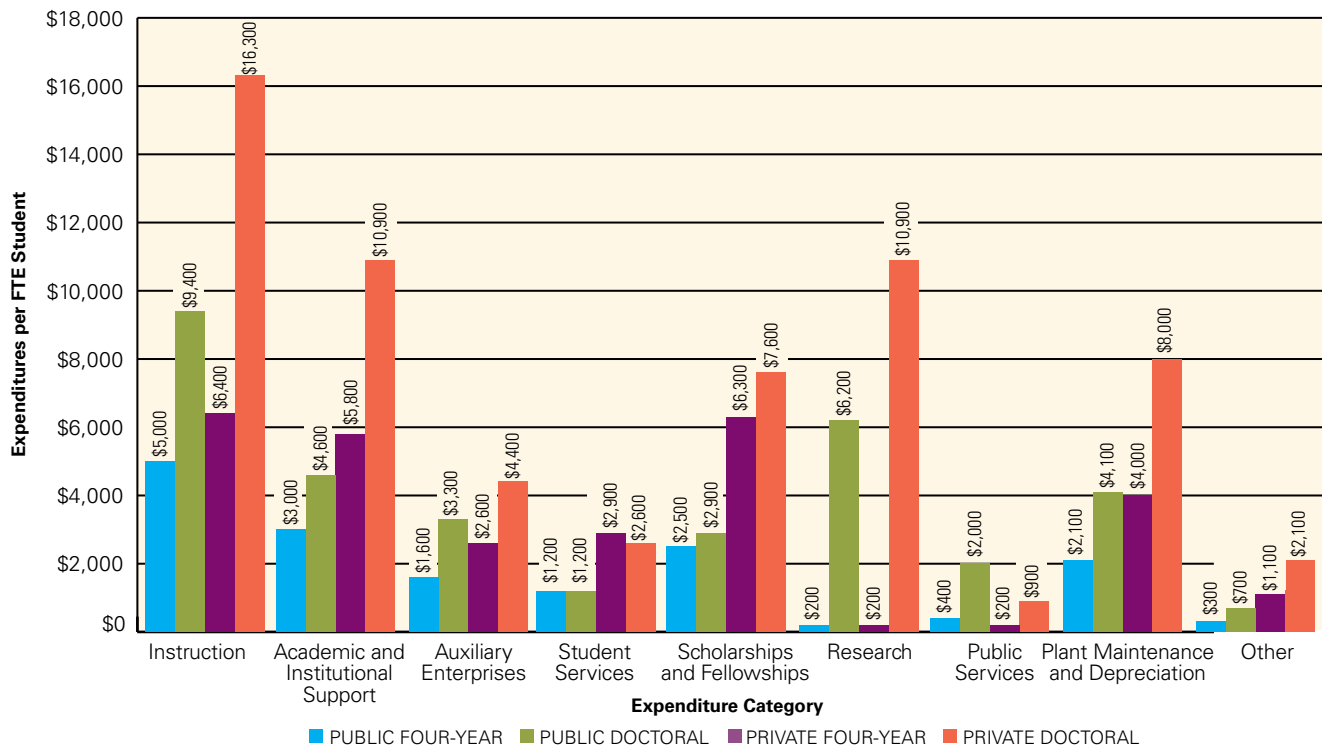
- Revenue from state and local governments constitutes 43 percent of total revenues at public undergraduate colleges and 34 percent at public doctoral universities, but only 1 to 2 percent of revenues at private colleges and universities.
- Return on investments constitutes 12 percent of total revenues at private undergraduate colleges and 21 percent at private doctoral universities, but less than 5 percent at public colleges and universities.

Also important:

- At some colleges and universities, a significant portion of institutional aid is a discretionary expenditure but at many institutions, this discount is necessary to enroll the student body. Under these circumstances, net revenues that include only the tuition and fees actually paid are a better measure of institutional resources. Net tuition and fee revenues are lower than the tuition and fee revenues reported here.
- Eighty-one percent of all students enrolled in public four-year colleges and universities are undergraduates, 17 percent are graduate students, and 2 percent are in first-professional degree programs. (*Digest of Education Statistics 2006*, Table 180)
- Seventy percent of all students enrolled in private four-year colleges and universities are undergraduates, 24 percent are graduate students, and 6 percent are in first-professional degree programs. (*Digest of Education Statistics 2006*, Table 180)

Institutional Expenditures

Figure 15: Expenditures per Full-Time Equivalent (FTE) Student: Public Four-Year Colleges, Public Doctoral Universities, Private Four-Year Colleges, and Private Doctoral Universities, 2005-06



Notes: Estimates remove depreciation, plant operation, and maintenance from expenditure categories and report those expenses separately. Instruction expenditures include only salaries, wages, and benefits. Institutional grant support to students is included as an expenditure under Scholarships and Fellowships. Academic Support includes expenditures supporting instruction, research, and public service, including libraries, museums, academic administration, information technology, etc. Institutional Support includes expenditure on general administration, legal services, personnel management, development, etc. Auxiliary Enterprises include dormitories, food services, health services, and other self-supporting units. Student services include career guidance, counseling, cultural events, student newspapers, intramural athletics, student organizations, and services provided by the offices of admissions and the registrar. The research category includes institutes and research centers, in addition to individual and project research. Examples of public services include conferences, institutes, symposia, reference bureaus, cooperative extension services, and public broadcasting.

Sources: Preliminary data from IPEDS, 2005-06; calculations by authors.

In 2005-06, expenditures on instruction averaged about \$5,000 per student at public four-year undergraduate colleges and \$9,400 per student at public doctoral universities. Private colleges spent about \$6,400 per student and private doctoral universities spent about \$16,300 per student on instruction.

- In 2005-06, undergraduate colleges spent only about \$200 per student on research. Research accounted for 17 to 18 percent of expenditures at public and private doctoral universities, which educate both undergraduate and graduate students.
- Public doctoral institutions spent about \$2,000 per student on public services in 2005-06, compared to \$900 at private doctoral institutions. Public and private four-year colleges spent \$400 and \$200 per student on public services, respectively.
- Student services is the only expenditure category in which private undergraduate colleges spent more per student in 2005-06 than universities that offer doctoral degrees.

Notes and Sources

Data Sources and Analytical Details

Prices described in this report are based on data reported by colleges and universities as part of the College Board's *Annual Survey of Colleges*. Data for 2007-08 were collected on questionnaires distributed in October 2006, and subjected to intensive review and follow-up where necessary through the following spring and summer months. Institutions could submit or revise their figures until the third week of August 2007. To collect comparable price information, the survey asked institutions to provide tuition and fee data based on charges to first-year 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, average undergraduate tuition levels were collected and used in the analysis. If firm 2007-08 figures were not yet established at the time the database was closed out in August, but a reliable institutional or systemwide forecast was available, projected data were used in the analysis.

Enrollment-Weighted and Unweighted Data

This report provides enrollment-weighted averages, or average prices that full-time undergraduate students face. When weights are used in the calculations, charges reported by colleges with larger full-time enrollments are weighted more heavily than those of institutions with smaller enrollments. When calculations are performed without weighting, the charges of all reporting institutions are treated equally.

As a snapshot, neither set of averages is more or less correct than the other; they describe different phenomena. The weighted averages may be more helpful to students and families in anticipating future education expenses. Some researchers, policy analysts, and academic administrators find the unweighted averages useful in studying longitudinal trends and evaluating a particular institution's practices against a larger set. Thus, the College Board computes both weighted and unweighted averages. Tables reporting unweighted tuition data can be found online at www.collegeboard.com/trends.

The most recent enrollment data available are for 2006-07. Therefore, while for 2006-07 and earlier years, prices are weighted by same year enrollments, for 2007-08, prices are weighted by 2006-07 enrollments. In other words, the percentage changes reported in Table 1 reflect only price changes, not changes in enrollment patterns. In contrast, the historical data on changes in enrollment-weighted prices reported in Tables 3 and 4 reflect both changes in prices charged and in the distribution of full-time students across institutions. While shifts in the enrollment numbers of individual institutions from year to year affect the enrollment-weighted averages in the most recent two-year comparison, there have been no systematic changes, looking back over time, in enrollment patterns either between or within institutional sectors. Therefore, the effects that we have reported in recent years are attributable, principally if not entirely, to changes in the prices students have been paying.

Weighted averages for each price are based on relevant populations:

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

out-of-state students receiving a waiver of some or all of the tuition premium are not available.

- Resident room and board are weighted by the number of undergraduates living in college housing at each institution.
- Out-of-district charges for public two-year college students are not accounted for in the average prices reported here.
- Estimated other student budget components are weighted as follows:
 - Books and supplies are weighted by full-time undergraduate enrollment.
 - Resident transportation and other resident costs are weighted by the number of undergraduates living in college housing.
 - Commuter room and board, commuter transportation, and other commuter costs are weighted by the number of commuting undergraduates at each institution, reflecting the expenses of commuters not living at home with parents.

Survey Response and Institutions Included in Calculations

Out of the surveys mailed to 3,505 public two-year, public four-year, private nonprofit four-year, and for-profit institutions, 2,976 (85 percent) were included in this year's analysis. Beginning in 2004-05, we implemented an imputation process that allows us to include schools for which we are missing one year of data. In order to minimize the distortions that might otherwise be caused by institutions responding one year and not the next, we include in the calculations only those institutions for which we have two consecutive years' worth of data or for which we have the information necessary to impute a second year of data. We exclude from our calculations military academies and other institutions that report zero tuition.

Table A describes the institutions that were included in this analysis, by sector.

- The first column reports the number of questionnaires sent to each type of institution.
- The second column represents the number of total institutions from each sector with sufficient information to be included in the analysis.
- The third column indicates the number of institutions from the second column that submitted projected rather than final data at the time the analysis was performed or for whom data were imputed. For example, in the public two-year sector, data for 49 schools were either projected by the school or imputed by the College Board.

Table A. Composition of Sample for Tuition and Fees (T&F) Analysis

	Total Surveys Mailed	Number of Institutions Included in T&F Analysis	Institutions in Analysis for Which T&F Are Projected or Imputed
Public Two-Year	1,027	999 (97%)	49
Public Four-Year	606	559 (92%)	23
Private Four-Year	1,258	1,111 (88%)	15
For-Profit	614	307 (50%)	37
Total	3,505	2,976 (85%)	124

The samples we construct for regional subsets are, of course, smaller. In some regional subsets, the number of usable observations in some budget components is so low that we do not publish the averages.

Revision of Base-Year Figures

The base-year values for 2006-07 used in this analysis differ somewhat from the 2006-07 averages that we reported last year. Several factors contribute to the revision of the previous year's numbers. The largest contribution to the revision of last year's price estimates comes from the re-weighting of the prices, shifting from 2005-06 to 2006-07 full-time enrollment figures.

In addition, if tuition and fee or room and board information is missing for a given year, we impute those numbers based on the institution's relative position in the overall tuition and fee distribution of the relevant sector for the preceding year. If an institution did not report in 2006-07 but provided 2006-07 data in 2007-08, we replaced our estimate with the reported figure. For institutions missing only one year of enrollment data, we rely on the available year's enrollment figure. In some cases, we have used the National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS) data to estimate enrollment. The base-year numbers also change as a result of revisions submitted by institutions. Several hundred institutions submitted changes to their earlier figures for 2006-07. Most of these revisions are minor. Some result from simple reporting error, while many result from the increasing complexity of tuition and fee formulas and determining what fees apply to all students. The College Board does not make revisions to incorporate changes in tuition levels imposed during the academic year.

The recomputed average for tuition and fees at public four-year institutions in 2006-07 is \$32 lower than the level we reported last year, and the recomputed average for tuition and fees at public two-year colleges is \$6 lower. For private four-year institutions, the \$22,308 figure reported here is \$90 higher than the amount we reported in 2006.

Both the average prices for 2007-08 and calculated rates of change published in this report are subject to recomputation one year hence.

Longitudinal Data

In Tables 3a and 3b and Tables 4a and 4b, tuition averages from years prior to 1987-88 are extracted from IPEDS. The two data sets, IPEDS and the College Board's *Annual Survey*, track very closely, but IPEDS averages are weighted by full-time equivalent enrollments, while the *Annual Survey* prices are weighted by full-time enrollments. Annual data for years preceding 1996-97 are available online on the College Board's Web site, www.collegeboard.com/trends.

Net Price Calculations

The calculations of net price for full-time undergraduate students are a best approximation. The estimates in Figures 8a and 8b are based on the aggregate amounts of each type of aid reported in *Trends in Student Aid 2007* 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. The allocation of tax benefits is based on NPSAS estimates.

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 2006 because some have been updated.

The net price calculations in Figures 9a and 9b differ in several ways from the net price calculations on which Figures 8a and 8b are based. While the latter rely on data on aggregate amounts of student aid collected from a variety of sources by the College Board and reported in *Trends in Student Aid 2007*, the former are based on NPSAS, which surveys a nationally representative sample of students.

Endowments

Data on the endowments of individual colleges and universities 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.

Institutional Revenues and Expenditures

IPEDS expenditure categories are modified in order to increase the compatibility of estimates for private and public institutions. For private institutions, expenditures for depreciation and for maintenance of plant and equipment are separated out of the functional expenditure categories. Allowances for tuition discounts are added to revenue from tuition and fees to calculate a gross revenue figure, and these discounts are counted as an expenditure under the scholarships and fellowships category.

Inflation Adjustment

The Consumer Price Index for all urban dwellers (CPI-U) is used to adjust for inflation. Updated CPI data are available from the Bureau of Labor Statistics Web site (<http://stats.bls.gov/cpihome.htm>). We have used a calendar base year calculation in most cases. The CPI for a calendar year is based on the August CPI for that year.

Table B provides CPI data. The Factor column provides the user with a multiplication factor equal to that of CPI (base year) divided by CPI (current year). A simple multiplication of a current-year figure by the associated factor will yield a constant-dollar result.

Table B. Consumer Price Index (1982-84=100)

Calendar Year	CPI (1982-84=100)	Factor
1997	160.8	1.293
1998	163.4	1.272
1999	167.1	1.244
2000	172.8	1.203
2001	177.5	1.171
2002	180.7	1.151
2003	184.6	1.126
2004	189.5	1.097
2005	196.4	1.059
2006	203.9	1.020
2007	207.9	1.000

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.

This report provides the published prices facing students and parents and estimates of average net prices. We refer readers to the companion publication, *Trends in Student Aid 2007*, for detailed data on the grants, loans, work-study programs, and education tax benefits that help families cover the expenses of college attendance.

An electronic copy of this report, along with the other reports of the *Trends in Higher Education Series* and additional data tables, can be downloaded at www.collegeboard.com/trends.

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