

NET PRICE CALCULATORS (NPCs) CAN BE IMPORTANT TOOLS FOR HELPING PROSPECTIVE STUDENTS LEARN THE COSTS OF ATTENDING A PARTICULAR INSTITUTION

But NPCs often fall short of usability and usefulness

CHALLENGES THAT LIMIT USABILITY OF NPCs:

- Not easily found on an institution's website and/or the link is not consistently working.
- Failure to clearly and prominently display the correct federally-defined net price.
- No easy-to-use mechanisms to obtain answers to questions.

CHALLENGES THAT LIMIT USEFULNESS OF NPCs:

- Not all costs of attendance are identified and included.
- Outdated data that do not reflect current costs.
- Limited information about the sources of grant aid and requirements for receiving the aid.
- Ambiguity on whether estimates reflect an individual's personal circumstances.
- Lack of clear differentiation between grants and loans.
- Limited information about how to obtain aid.

Federal policy can help students get the information they need about college costs.

- Policymakers should consider how to ensure that **institutions are meeting their responsibility** to provide usable and useful cost-related information.
- The US Department of Education should **eliminate inconsistencies in its cost-related information**. Terms like "net price" should be consistently defined and applied across different tools (e.g., net price calculator and guidelines for financial aid offer letters).
- The US Department of Education should revise the NPC template to bolster the usefulness and usability of information provided. **Institutions should be prompted to report:**
 - Average grant awards disaggregated by source.
 - Differences in cost by major or academic discipline.
 - Parameters used to calculate costs (e.g., number of credits, place of residence, and included fees), other potential costs, and procedures for obtaining and renewing different grants.
 - Year of data used for the net price estimates.
 - Groups to whom the estimates do not apply.
 - Contact information for the financial aid office.

To learn more about *Questioning the Calculations*, visit www.ahead-penn.org/research-projects/questioning-net-price-calculators.

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