



Integrated Postsecondary Education Data System Student Financial Aid Survey Calculating Average Net Price Tutorial Script 2023-24 Data Collection Cycle

On behalf of the Institute of Education Science's, IES, National Center for Education Statistics, NCES, and the Association for Institutional Research, AIR, welcome to this tutorial on the IPEDS Student Financial Aid survey component, also called SFA. The purpose of this tutorial discusses the importance of an institution's average net price and how it is calculated. After completing this tutorial you will:

1. Understand how average net price helps parents and students choose a postsecondary institution;
2. Be familiar with how average net price is calculated; and
3. Know where average net price information is published.

Since many students do not pay full published tuition rates for college attendance, the net price is intended to provide more useful consumer information about college costs after considering financial aid. It provides students and parents with more information than the "sticker price" of the institution.

The Higher Education Opportunity Act of 2008, or HEOA of 2008, defines institutional net price as "the average yearly price actually charged to first-time, full-time undergraduate students receiving student aid at an institution of higher education after deducting such aid."

Using IPEDS data, two average net prices are calculated for each institution with first-time, full-time students.

The first average net price is calculated for students who were awarded grant or scholarship aid from federal, state or local governments, or the institution. This is the net price used to provide historical data on how much it costs to go to college for the College Affordability and Transparency Center and College Navigator.

A second set of average net prices is calculated for students who were awarded any Title IV aid, by income groups. The average net price by income group also appears on College Navigator. For public institutions, average net price is calculated only for students who paid the lower of in-state or in-district tuition rate. For program reporters, average net price is calculated for students in the institution's largest program only.

College Navigator also provides a link to each institution's customized Net Price Calculator so current and prospective students can calculate net price based on the most recent costs available.

All three calculations use a similar definition of average net price. First, we add up the total cost of attendance, which includes the average academic year cost of tuition and fees; the weighted average for room and board and other expenses by living arrangement; books and supplies; and other miscellaneous expenses. Next, we calculate the average aid awarded by dividing total aid awarded by the number of students awarded such aid. The final step is to subtract the average aid awarded from the total cost of attendance.

Along with the College Affordability and Transparency Center, College Navigator, and the institution's website, institutional level net price data are also available through the IPEDS Use the Data portal. However, College Navigator provides the quickest access to these data, and shows any context notes an institution added during the data collection.

This concludes the tutorial on calculating average net price. You should be able to:

1. Explain how average net price may be used to select postsecondary institutions;
2. Describe how average net price is calculated and for whom; and
3. Locate average net price information when needed.

If you have questions about reporting data to IPEDS or the IPEDS Data Collection System, contact the IPEDS Data Collection Help Desk at (877) 225-2568 or send an email to Help Desk staff at ipedshelp@rti.org. For assistance using IPEDS data tools, contact the IPEDS Data Use Help Desk at (866) 558-0658 or ipedstools@rti.org.