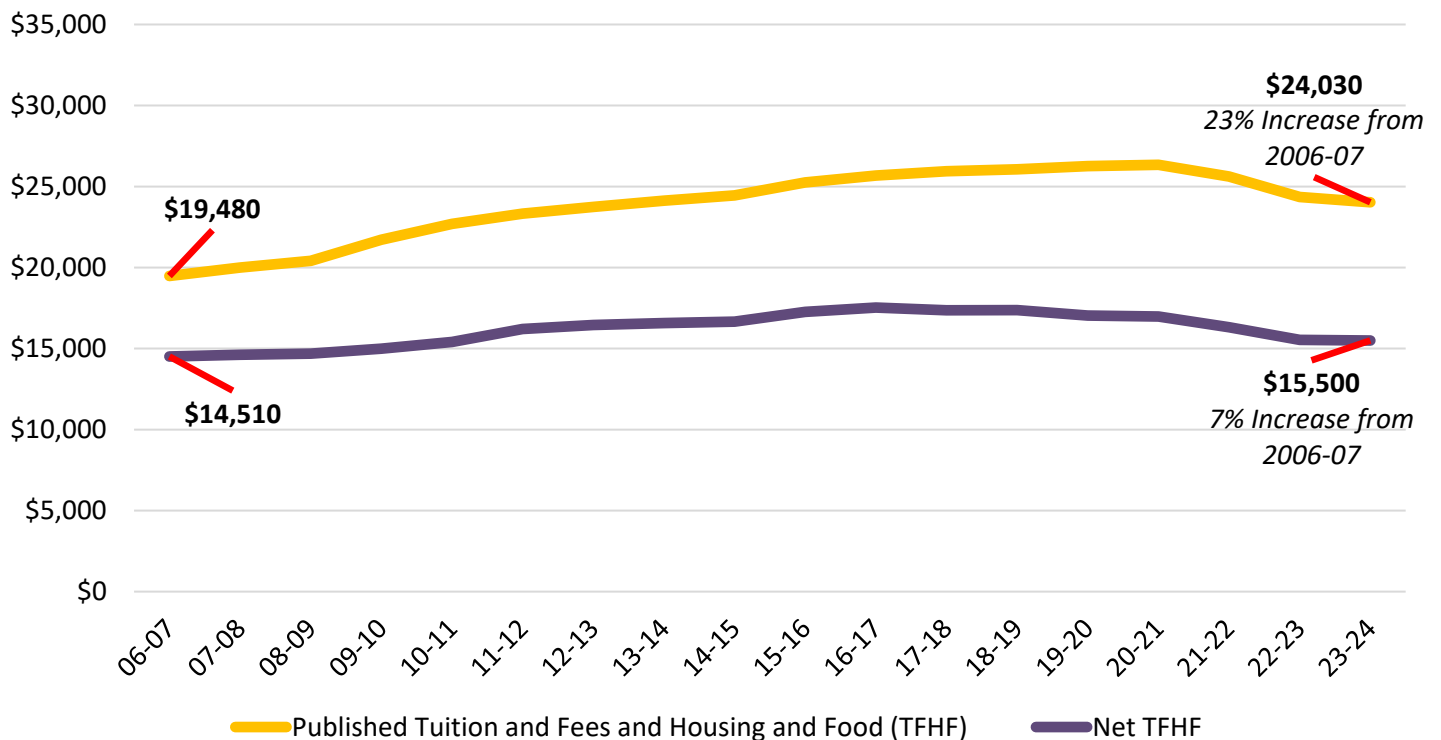


Subject: Published Price vs. Net Price in Higher Education – 2024 Update

Published college prices—which include tuition, fees, housing, and food (TFHF)—have increased dramatically over the past two decades. However, **net prices**¹—TFHF minus grant and scholarship aid from federal, state, or institutional sources—**have increased at a more moderate rate** over that same period and have been declining (after adjusting for inflation) since 2016-17.

As seen in Figure 1 (below), between 2006-07 and 2023-24, *published* prices for resident students rose an average of 23 percent at public four-year institutions (going from \$19,480 to \$24,030), whereas *net* prices for residents at public four-year institutions rose an average of 7 percent (going from \$14,510 to \$15,500). This difference can be attributed to federal, state, and institutional aid.

Figure 1: National Increases in Published and Net TFHF at Public Four-Year Institutions



(Source: Figure 9 data. The College Board, [Trends in College Pricing and Student Aid 2023](#), page 18. Average Published and Net Prices are in 2023 dollars.)

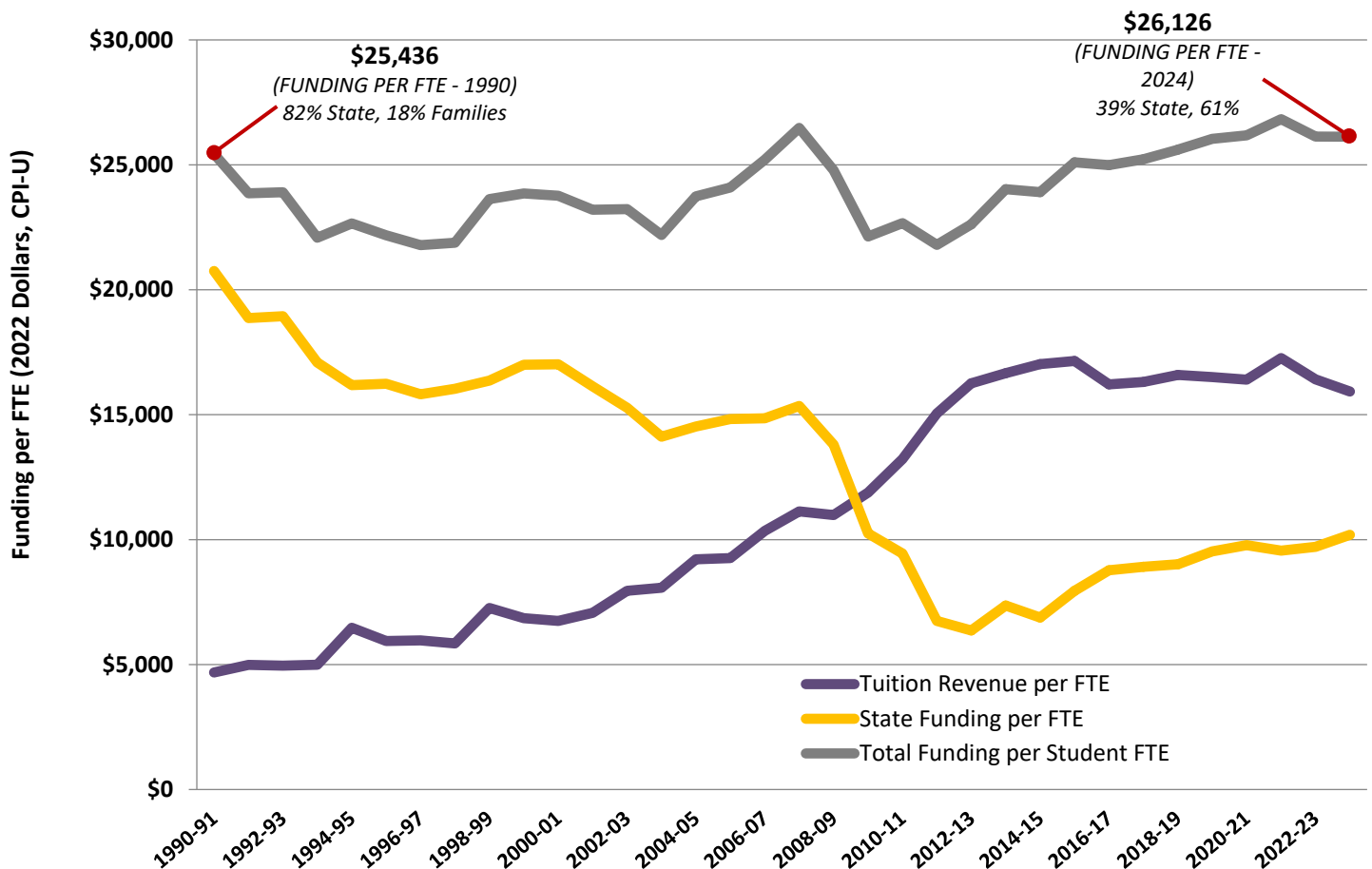
When considering increases in net price, it is worth keeping two things in mind:

1. **The price behavior of higher education bears more similarity to service industries than to goods-producing industries.** Unlike goods producers, service industries have few opportunities to increase productivity without decreasing quality. This is primarily due to a reliance on expensive, high-skill workers (who comprise over 80 percent of higher education employees) and cutting-edge technology. As a result, higher education prices behave similarly to other personal services offered by highly educated providers. Notably, the cost curves for dentists, lawyers, and physicians essentially [mirror those for higher education](#).
2. **Tuition increases at public institutions are due, in large part, to a decades-long trend of state budget cuts.** Like

¹ Net price is the “total cost of attendance” (calculated using the weighted average of sticker prices for students in different living situations) minus average aid. Specifically, the “cost of attendance” is the weighted average of published price, weighted by how many students are living on campus, versus off-campus, versus at home. Average financial aid is subtracted from the total cost of attendance to get to net price.

many other state institutions, the UW has endured numerous state funding cuts in past biennia. Consequently, the majority of funding formerly provided by the state is now borne by students and their families. As seen in Figure 2, below, in 1990-91, Washington state contributed 82 percent of the total funding per UW student FTE, and families were responsible for 18 percent. In 2023-24, state funds are projected to cover only 39 percent of the total funding per FTE, leaving 61 percent to students and families.

University of Washington State and Tuition Funding per Student FTE



Rising tuition rates could have meant a decline in access and in the economic diversity of students, but this has not been the case at the UW. **The UW increased its contribution to institutional financial aid in order to minimize net-price increases, particularly for students with the most financial need.** As of the most recent information in our [2024 Fast Facts](#):

- In 2022-23, **22 percent** of UW undergraduates were eligible for Pell Grant funding.
- **28 percent** of entering freshmen are first-generation, four-year degree-seeking students.
- In 2022-23, **22 percent (approximately 6,800)** of UW resident undergraduate students were eligible for the Husky Promise.
- **Approximately 13,700** UW students will receive funds from the Washington College Grant.

In 2022-23, **64 percent** of UW undergraduates received some form of financial aid, with approximately **\$450 million** in aid given. The UW also awarded more than **\$120 million** in institutional grants and scholarships specifically to Washington residents.

Table 1 compares the UW in Seattle to its peers (the U.S. News & World Report Top Public Research Institutions) on two common metrics of affordability and access: net price and percent of students receiving Pell grants. In 2021-22, the **published price** for resident undergraduates at Seattle was **\$30,640** whereas the **net price** for first-time, full-time, resident undergraduates at Seattle was **\$10,603**.² As the table shows, **the UW in Seattle has the lowest net price points of its peers, and about 68 percent of all UW undergraduates graduate with no known debt.**³

Table 1: 2022 U.S. News Peer Comparisons: Resident Undergraduate Net Price and Pell Recipients⁴

Institution Name	2021-22	
	Net Price	% Receiving Pell
University of Washington-Seattle Campus	\$10,603	16.82%
University of North Carolina at Chapel Hill	\$10,614	21.21%
University of Florida	\$11,740	22.13%
Purdue University-Main Campus	\$12,576	14.12%
University of Wisconsin-Madison	\$13,376	14.95%
Florida State University	\$14,003	28.24%
University of California-Irvine	\$14,033	37.87%
University of Illinois at Urbana-Champaign	\$14,544	24.86%
University of Minnesota-Twin Cities	\$16,018	17.55%
University of California-San Diego	\$16,111	31.93%
University of Maryland-College Park	\$16,210	18.33%
University of California-Santa Barbara	\$16,874	30.14%
University of California-Los Angeles	\$16,999	27.18%
University of Georgia	\$17,180	18.47%
University of California-Davis	\$17,385	32.80%
Georgia Institute of Technology-Main Campus	\$17,402	13.32%
The University of Texas at Austin	\$17,434	24.42%
Rutgers University-New Brunswick	\$17,535	28.09%
University of California-Berkeley	\$19,257	27.06%
Virginia Polytechnic Institute and State University	\$19,301	14.99%
University of Michigan-Ann Arbor	\$19,318	17.65%
University of Virginia-Main Campus	\$19,469	13.54%
Ohio State University-Main Campus	\$19,582	20.02%
Texas A & M University-College Station	\$20,375	19.70%
University of Massachusetts-Amherst	\$22,291	20.80%
University of Connecticut	\$23,985	24.06%
University of Pittsburgh-Pittsburgh Campus	\$24,286	13.91%
Clemson University	\$24,577	14.67%
U.S. News Peer Average	\$17,499	21.93%

Variations in net price from year to year are due to many factors, including changes in tuition, fees, financial aid, and other aspects of students' budgets. Overall, other components of students' budgets (books, transportation, personal expenses) have not changed significantly, and the UW has kept its commitment to institutional aid and to keeping mandatory fees and other expenses low. These factors have allowed the UW in Seattle's net price to remain relatively stable and below most peer institutions.

² 2021-22 is the most recent year for which net price data is available from the Integrated Postsecondary Education Data System (IPEDS).

³ The University has no records of students' consumer loans and therefore cannot say definitively that these students have no debt.

⁴ Table is sorted by 2021-22 Net Price. Net prices in table are in nominal dollars (not adjusted for inflation). UW Seattle's most commonly used peer list was derived from the U.S. News Top 25 Public Research institutions over a five-year period.