

# Impact of Inflation on College Costs

## What Is the Impact of Inflation on College Costs?

Unfortunately, college costs have been rising at a faster rate than the general inflation rate.

For the 12 months ending September 2016, the inflation rate was 1.5% (source: Consumer Price Index; CPI-U; Percent Change October 2015 through September 2016). For a similar period of time, tuition and fees at four-year colleges increased an average of 2.4% at public colleges and 3.6% at private nonprofit colleges (source: The College Board Trends in College Pricing 2016).

Over the past decade (2006-07 to 2016-17), total in-state tuition and fees at four-year public colleges have increased an average of 3.5% per year **beyond inflation**, while tuition and fees at private nonprofit four-year colleges have increased an average of 2.4% per year **beyond inflation** (source: The College Board Trends in College Pricing 2016).

Failing to consider the impact of inflation on college costs could undermine your ability to provide for your child's education.

**Consider the funds that may be needed when an 8-year-old child is ready to attend college on a full-time basis in 10 years:**

	Today's Average Annual Cost	Average Annual Cost in 10 Years Assumed College Inflation Rate:			
		3%	4%	5%	6%
<b>Public College:</b>					
Resident Student *	\$20,090	\$26,999	\$29,738	\$32,724	\$35,978
Commuter Student **	\$ 9,650	\$12,969	\$14,284	\$15,719	\$17,282
<b>Private Nonprofit College:</b>					
Resident Student *	\$45,370	\$60,973	\$67,159	\$73,903	\$81,251
Commuter Student **	\$33,480	\$44,994	\$49,559	\$54,535	\$59,958

\* Includes tuition, fees, room and board; in-state residency is assumed for public schools.

\*\* Includes tuition and fees only.

**Source:** The College Board Trends in College Pricing 2016