

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.

Through December 2009, the inflation rate was -0.3% (source: Consumer Price Index; CPI-U; January 2009 - December 2009). For a similar period of time, tuition and fees at four-year colleges increased an average of 4.4% to 6.5% (source: The College Board Trends in College Pricing 2009).

Over the past decade (1999-2000 to 2009-10), total in-state charges in **inflation-adjusted dollars** at four-year public colleges have increased an average of 4.9% per year, while total charges at private four-year colleges have increased an average of 2.6% per year (source: The College Board Trends in College Pricing 2009).

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 in 10 years:

	Today's Average Annual Cost	Average Annual Cost in 10 Years Assumed College Inflation Rate:			
		4%	6%	8%	10%
Public School:					
Resident Student *	\$15,213	\$22,519	\$27,244	\$32,844	\$39,459
Commuter Student **	\$ 7,020	\$10,391	\$12,572	\$15,156	\$18,208
Private School:					
Resident Student *	\$35,636	\$52,750	\$63,819	\$76,935	\$92,431
Commuter Student **	\$26,273	\$38,890	\$47,051	\$56,721	\$68,145
* 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 2009					