Impact of Inflation on College Costs

What Is the Impact of Inflation on College Costs?

College costs have historically risen at a faster rate than the general inflation rate. More recently, however, after adjusting for inflation, the average published tuition and fees at both public and private nonprofit four-year colleges peaked in 2019-20, since when costs have increased at about the same as the rate of inflation

Over the decade between 2014-15 and 2024-25, the average tuition, fees, housing and food prices declined by 1% at public four-year institutions and increased by 4% at private nonprofit four-year institutions, after adjusting for inflation. (source: The College Board Trends in College Pricing 2024).

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	Average Annual Cost in 10 Years Assumed College Inflation Rate:			
	Annual Cost	3%	4%	5%	6%
Public College:					
Resident Student *	\$24,920	\$33,490	\$36,888	\$40,592	\$44,628
Commuter Student **	\$11,610	\$15,603	\$17,186	\$18,911	\$20,792
Private Nonprofit College:					
Resident Student *	\$58,600	\$78,754	\$86,742	\$95,453	\$104,944
Commuter Student **	\$43,350	\$58,259	\$64,169	\$70,613	\$77,633

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

Source: The College Board Trends in College Pricing and Student Aid 2024

VSA 2A4.02 ed. 01-25 Page 1 of 1

© VSA, LP The information, general principles and conclusions presented in this report are subject to local, state and federal laws and regulations, court cases and any revisions of same. While every care has been taken in the preparation of this report, VSA, L.P. is not engaged in providing legal, accounting, financial or other professional services. This report should not be used as a substitute for the professional advice of an attorney, accountant, or other qualified professional.

^{**} Includes tuition and fees only.