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The Upshot

COLLEGE COSTS

Misunderstood Tuition: An Elite-College Case Study

Amherst College and Financial Aid

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If all you knew about the cost of attending Amherst College were its published numbers, you'd think that it had become vastly more expensive in recent years. No doubt, most Americans assume an elite college like Amherst *has* become a lot more expensive.

For the coming school year, Amherst says it is charging students \$60,400 in tuition, fees, room and board. By comparison, it charged \$43,300 in 2000-01, in inflation-adjusted dollars. So even after Amherst's prices have been adjusted for economywide inflation, the cost has jumped 34 percent in only 14 years.

But appearances can be deceiving. Amherst has been among the most aggressive selective colleges in the country at recruiting an economically diverse student body, and it has substantially increased its financial-aid budget as part of the effort.

Since 2000, in fact, financial aid has kept pace, almost dollar for dollar, with the list price. As a result, the average price that Amherst students pay is

virtually unchanged — up 1 percent, in inflation-adjusted terms, to \$32,400 this year — over the last 14 years. On average, Amherst isn't significantly more expensive than it was in 2000.

Averages, of course, hide variation. To be more specific, Amherst is more expensive than it used to be for students whose families are paying the full price — and less expensive for students whose families are not. Because the price has risen for students paying full price, it has fallen for students not paying full price. For students from low-income families, Amherst can be nearly free, partly because it does not require student loans.

Full-price students tend to come from families making hundreds of thousands of dollars a year. Most of those families have done quite nicely in recent decades, and they can afford Amherst. For everyone else, Amherst has cut its price.

Amherst is a good case study because it highlights how the sticker price of college tends to warp our impressions, as I discussed in my column last week. But I don't want to suggest Amherst is typical. Most public colleges have indeed become less affordable for most students in recent years.

Average net tuition and fees for in-state students at public colleges rose to \$3,120 last year, from an inflation-adjusted \$2,420 a decade earlier, according to the College Board. That increase — 29 percent — is substantial and has made it harder for middle- and low-income students to graduate from college. Room and board is another \$7,500 (though it's always hard to know how to think about room and board in this context, given that people must pay for food and shelter regardless of whether they're in college).

When people talk about how expensive college has become for the middle class, they often mention sticker prices like Amherst's — more than \$50,000. But those elite colleges are not presenting the real cost problem for poor and middle-class students. Other, less expensive colleges are where prices have been rising for people of modest means.

Correction: August 5, 2014

An earlier version of this article included outdated fees for Amherst College. Amherst will charge \$60,400 for tuition, fees, room and board for the coming academic year; the \$58,000 figure originally provided by the college was for the 2013 school year.

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