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University of Dayton, Ohio

The Real Cost

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When next year's prospective first-year students receive their financial aid offers from the University of Dayton in March, they'll get something very different from what they're likely to see from other schools — full disclosure and a four-year guarantee.

Students will receive a personalized, two-page financial aid prospectus clearly detailing all billable costs — and a pledge their scholarships and grants will grow dollar for dollar each year as tuition increases.

The result: families will know upfront the true cost of that four-year degree, and they'll have a guarantee from the University the net tuition cost students pay during their first year will be the same amount they pay during their senior year.

"We want families to understand exactly what they will be paying for, from day one through graduation. This initiative is about transparency and the value that provides to our families," said Daniel J. Curran, University of Dayton president.

Early response has been positive. Applications for the fall are outpacing last year's record volume by 6 percent. The University of Dayton, one of the most affordable Catholic universities in the nation, has expanded its national and global reach and enrolled record first-year classes the last three years.

This is not a tuition freeze: the school promises that students' scholarships and grants will increase in value to meet any tuition increases during their four years. In addition, all student fees, often an unexpected cost for families, are wrapped into the four-year tuition plan and students can receive up to $4,000 for textbooks.

The University of Dayton's plan will help families plan the expense of a college degree, according to Mark Kantrowitz, publisher of Fastweb.com and FinAid.org, who has testified before Congress about student aid.

"Locking in the net price, as opposed to just tuition, makes college costs more predictable, helping families plan for the full four-year cost of a college education," he said. "Also, some colleges have locked in tuition rates but allowed fees to increase significantly from one year to the next."

Across the country a number of universities front-load financial aid, so students' financial aid packages typically don't increase significantly over four years and don't keep up with tuition increases. Some universities may offer tuition guarantees but make up for lost tuition by increasing fees, which can add thousands of dollars to the cost of a degree.

No other university is taking quite this approach, which has sparked the interest of The Chronicle of Higher Education and national experts in the field.

"As college-going students and their families become more value-conscious, efforts such as Dayton's innovative net-tuition guarantee send an important message about private higher education's commitment to staying as affordable as possible during these difficult economic times," said David L. Warren, president of the National Association of Independent Colleges and Universities. "Through a variety of creative measures, private colleges are taking unprecedented steps to enhance their affordability while protecting academic quality, and remain the best educational value for countless students."

Sundar Kumarasamy, vice president for enrollment management and marketing, says the four-year tuition plan will assure families their sons and daughters can graduate in four years — and they will know upfront what they're paying.

"We don't want students and their families to feel nickel-and-dimed. They're often surprised by the high cost of textbooks and the hidden costs of higher education, such as fees for everything from orientation to labs. Some avoid buying textbooks because they found the prices too high," Kumarasamy said. "The University's approach gives comprehensive information about the real cost of a degree which will help our families to make the best financial decisions."
Christine Sapita, parent of a high school senior who's shopping for a college, appreciates that the University of Dayton's plan is focused on helping parents and students make an informed financial decision, without taking on unplanned debt and hardship.

"People are worried about the escalation of college costs. This approach makes so much sense. This gives parents a comfort zone of knowing what to expect, what we have to meet each year. I've not heard of any other schools moving in this direction," said Sapita, a 1988 University of Dayton graduate who serves as vice president for global talent and communications for Hobsons, a higher education consulting firm in Cincinnati.

Sapita's son has applied to the University of Dayton, Purdue University, the U.S. Air Force Academy, Saint Louis University and Auburn University.

The plan answers the question, "What's the real cost of a degree?" and is an intentional response to a national call for more accountability and transparency in higher education.

"As other industries have reinvented themselves to adapt to changing times, colleges and universities are overdue in creating innovations that transform the way they do business and help families make the best, most fully informed choices for their children's future," Kumarasamy said.

Starting in fall 2013, full-time undergraduate tuition will be $35,800 annually. On average, this is a 5 percent increase over last year's actual costs, including all fees. The room and board charges costs will vary, depending upon choices, but are expected to rise an average 5 percent.

Most undergraduates pay much less. Last year, 98 percent of all first-year students received financial assistance, according to University of Dayton officials. The University provides $100 million in institutionally funded financial aid annually.

The University of Dayton, a top-tier Catholic research university, welcomed the largest, most academically prepared and geographically diverse first-year class in school history last fall.

For more on the University of Dayton's tuition plan, see http://www.udayton.edu/apply/tuition.php

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