

Increasing College Cost and Value Transparency for Students and Families

Request for Information

Americans want the most value for their hard-earned money. They are used to shopping for products where prices are clearly labeled and information on quality is readily available. But when they shop for a college—one of the biggest financial decisions of their lives—it’s much harder to compare price and value across the available options.

First, when a student and their family consider college options, they can find the “sticker price” each college charges. But most families pay less than that thanks to institutional aid and federal supports such as Pell grants. Colleges vary widely in how easy they make it for students to get an estimated price before they apply, are accepted, and complete financial aid forms.

Second, only limited information is available on the quality of different colleges and programs within those colleges. For example, data on how much prospective students can expect to earn after attending a given program are not as comprehensive as they could be.

Third, after a student has been admitted to college, comparing aid offers from different colleges is much harder than it should be. Too many colleges present information in a confusing or even misleading manner about how much they will have to pay. In fact, the Government Accountability Office (GAO) reports that 90% of colleges understate how much students will have to pay. Hundreds of colleges have acknowledged this problem and changed their policies for the better, but too many have yet to do so.

Finally, when students commit to attending a particular college, they are often taking on debt that they will repay over many years after they graduate. Too few students understand how much they’re borrowing and whether the program they’re attending will give them the earnings power to pay it back.

Policymakers on both sides of the aisle have recognized these problems for years and offered bipartisan solutions to address them. The time has come for Congress to enact bipartisan, common-sense solutions. The HELP Committee is seeking stakeholder feedback on the reforms that will best serve students and families.

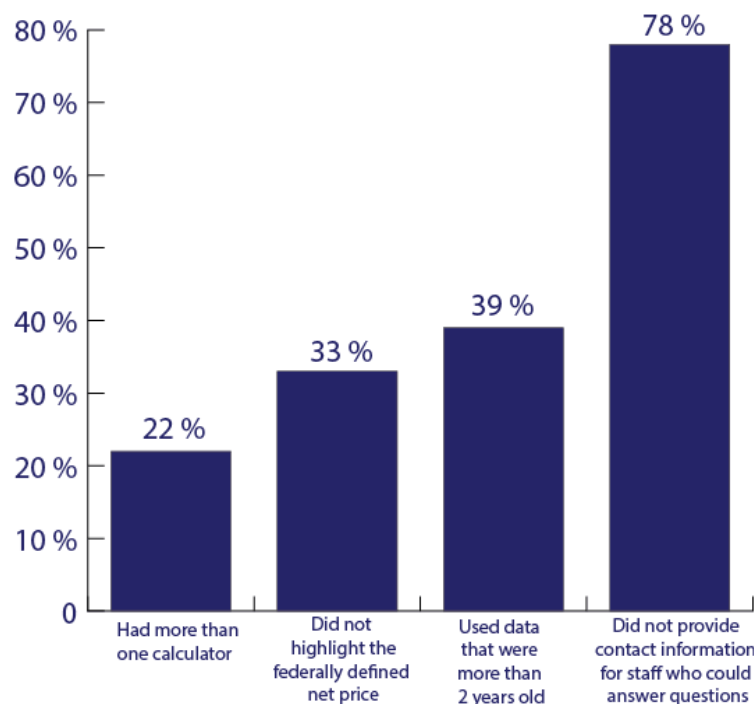
Policy Goal #1: Price Transparency

When Americans shop for groceries, they can easily compare the prices of the items on the shelves. When shopping for college, they don't learn how much each college will cost them until they apply, fill out financial aid forms, and are admitted. At that point, it's probably too late to apply to other colleges in search of more affordable options.

It's not supposed to be this way. Since 2008, Congress has required colleges to publish "net price calculators" that provide students with an estimate of how much they will have to pay based on their individual circumstances. For example, a student would enter their family income, assets, and other information and then be provided with an estimated amount of financial aid and "net price" (how much they pay after subtracting grants).

But these calculators have not done enough to solve the problem. Depending on the college, they can be hard to find, even harder to use, or even present misleading information such as leaving out parts of the cost of attendance or counting loans the same as grants.¹

Too Many Colleges Fail to Provide Clear Information on Prices



¹ Phillip Levine, "Transparency in College Pricing: Still More Work to Do," Aspen Economic Strategy Group (February 2025), <https://www.economicstrategygroup.org/wp-content/uploads/2025/02/Levine-College-Pricing.pdf>. Laura W. Perna, Jeremy Wright-Kim, and Nathan Jiang, "Questioning the Calculations: Are Colleges Complying with Federal and Ethical Mandates for Providing Students with Estimated Costs?" Penn AHEAD (March 2019), <https://repository.upenn.edu/entities/publication/cde1200f-ca6f-433d-bd81-fba20b75969c>.

Information on non-tuition costs, such as off-campus housing, transportation, and school supplies, is especially hard for potential students to find. The authors of one study were unable to find any information on these expenses on 39% of the college websites they reviewed. And how these expenses are calculated can vary widely across colleges, even in the same area, making it difficult for students to comparison shop.²

There are examples of innovation in this space, such as a non-profit organization that provides a simple financial aid estimator for a few dozen participating colleges.³ This tool is used by largely private, highly selective institutions that serve only a small slice of college students, but this effort shows that it is possible to provide comparable information on college costs.

The bottom line is that prospective students and their families have better information on college prices than they did 20 years ago, but it is not good enough. Especially given advancements in technology, students should be able to easily find out how much each college will cost them.

Policy Goal #2: Value Transparency

Whether a college is worth the price depends on the quality of the education provided. Students and families will value different aspects of the college experience, from academic offerings to athletics to location. But everyone should have access to good information on whether the degree will produce a large enough economic return to justify the investment of money and time.

Prospective students can get a sense of how much they might earn after attending a given college from the Department of Education's College Scorecard. The Scorecard has reported the average earnings of former students from each college for more than 10 years and now publishes some data at the program level as well.

Unfortunately, the College Scorecard is limited to data from students who receive federal grants or loans. As a result, 42% of undergraduate students are not counted in the data.⁴ This can result in earnings data that are misleading.

The lack of comprehensive data also makes it difficult or impossible to publish reliable data on programs within college. This is important for students and families given how

² Ann Coles, Laura Keane, and Brendan Williams, "Beyond the College Bill: The Hidden Hurdles of Indirect Expenses," uAspire (June 2020), <https://www.uaspire.org/getattachment/f5530ca7-5e02-4290-915c-016462965793/Beyond-the-College-Bill.pdf>.

³ <https://myintuition.org/>

⁴ Based on IPEDS data on first-time, full-time freshmen in 2022-23.

widely earnings can vary across programs (majors) within the same college. 79% of programs do not have earnings reported in the Scorecard because they are too small.

Policy Goal #3: Clear and Accurate Financial Aid Offers

The challenge students and families face in getting clear and accurate information on college prices doesn't end after they've applied to a school, been admitted, and received their financial aid offer. Many colleges provide confusing or even misleading information on college prices when they make those aid offers.

The GAO reviewed aid offer letters from 176 colleges and found that only 9% of them showed the net price that the student would pay. 50% of colleges understated the net price by ignoring key costs (such as living expenses) or factoring in loans. 41% of colleges did not show a net price at all on their offer letters.⁵

GAO found that nearly a quarter of colleges did not identify the type of aid (whether it is a grant or loan) in their award letters. In the example below, the student has no way of knowing that SEOG is a type of federal grant (the Supplemental Educational Opportunity Grant), "Sub" is a subsidized loan, "Unsub" is an unsubsidized loan, and "PLUS" is a loan made to parents with higher interest rates and origination fees.⁶

Financial Aid Offers Can be Misleading

Pell				
PLUS		\$ 6,431.00	\$ 6,430.00	\$ 6,431.00
SEOG				
Sub		\$ 1,155.00	\$ 1,154.00	\$ 1,155.00
TAG				
Unsub		\$ 660.00	\$ 659.00	\$ 660.00

Some colleges have improved their practices in the wake of the GAO report, with a group of institutions coming together to create the College Cost Transparency Initiative (CCTI) in 2022. Participating colleges commit to a set of principles and standards around transparency in their financial aid offers.⁷ But the 760 colleges on this list are only a portion of the thousands of institutions nationwide.

⁵ "Financial Aid Offers: Action Needed to Improve Information on College Costs and Student Aid," U.S. Government Accountability Office (November 2022), <https://www.gao.gov/products/gao-23-104708>.

⁶ Ibid.

⁷ <https://www.collegeprice.org/standards>

Policy Goal #4: Informed Borrowers

Student loans can help families afford higher education, but the process of taking on student loans is too confusing. As the GAO report on financial aid offer letters showed, students and families are often not given clear information about the loans they are taking on.

As a result, it's no surprise that many students are unaware of how much they're borrowing. One study found that about half of all first-year students in the U.S. seriously underestimate how much student debt they have; fewer than one-third can provide a reasonably accurate estimate.⁸

Students need to understand not only how much debt they're taking on, but also how they will repay it. That requires understanding their repayment options as well as how their expected debt levels will compare with the income they can reasonably expect to earn after graduating.

Questions for Consideration

The HELP committee is committed to advancing bipartisan solutions to improve all stages of the college-going process. To that end, the committee invites responses to the questions below, legislative solutions (including redlines of existing legislation), and any other insights on how the federal government can work with all stakeholders to advance pro-student and pro-family policies. Please submit feedback and comments to ValueTransparency@help.senate.gov by Friday, October 24, 2025.

⇒ Price Transparency

1. What are the pros and cons of the federal government developing a universal net price calculator vs. students relying on individual colleges' calculators?
2. What data elements would the federal government need to collect in order to build a truly useful universal net price calculator?
3. What actions should the federal government consider to ensure that students and families can compare non-tuition costs, such as housing and food, across colleges?

⇒ Value Transparency

4. What are the strengths and weaknesses of the College Scorecard?
5. What policy changes would improve the quality of data on college value that are available to prospective students and their families?

⁸ Elizabeth Akers and Matthew Chingos, "Are College Students Borrowing Blindly?" Brookings Institution (December 2014), https://www.brookings.edu/wp-content/uploads/2016/06/Are-College-Students-Borrowing-Blindly_Dec-2014.pdf.

6. How can the federal government partner with private and non-profit entities to ensure that information on college value reaches prospective students and their families?

⇒ *Financial Aid Offers*

7. Over the last few years, many colleges have adopted best practices in their financial aid offer letters. What lessons have they learned from this change in practice?
8. What barriers exist to more colleges adopting best practices with their offer letters?
9. How should colleges communicate information about parent PLUS loans, which have less favorable terms than regular student loans and are not available to all families?

⇒ *Informed Borrowers*

10. What information on student loan repayment is most important for students to have when they are taking out the loans?
11. What is the best way to communicate information about loans to students so that they actively process it and do not just sign disclosures without reading them?
12. Are there special considerations that colleges should take when communicating information to students attending the short-term, workforce-oriented programs that will become eligible for Workforce Pell Grants in the coming years?