

A Descriptive Analysis of Tuition Pricing Practices in Postsecondary Education

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Introduction

- Researchers have documented declines in state support to higher education (Heller, 2006; Mortenson, 2004) and increases in costs (Winston, 1999).
- As institutions seek to diversify funding, differential tuition pricing is likely to increase (Ward & Douglass, 2005).

Introduction

Findings from a dissertation study (Nelson, 2008):

- 44% of public universities charge different tuition levels by program.
- 27% of public universities charge different fees by program.
- Between 2006 and 2008, 25% implemented and 26% considered implementing differential tuition.

Introduction

Implications:

- HEOA requires greater transparency regarding the costs of higher education to consumers. Are the current published prices accurate?
- Many research studies use the published tuition reported by institutions for calculating net price. Does this price accurately reflect what is charged to students?

Purpose

The purpose of this study is to understand the extent to which postsecondary institutions set charges that differ depending on academic program, student status, residency, student service in the armed forces, and instructional delivery method.

Purpose

The purpose of this study is to understand the extent to which differential pricing policies impact data reporting to national survey programs and service delivery method.

How does differential tuition pricing impact data reporting to national survey programs?

Research Questions

1. What percentage of degree granting Title IV postsecondary education institutions have differential pricing policies to first-time, full-time students depending on:
 - student status (e.g., part-time/full-time, undergraduate/graduate, lower-level/upper level)
 - student residency (e.g., in-district, in-state, out-of-state),
 - service in the armed forces,

Research Questions

- instructional delivery method (e.g., honors programs, distance education, nontraditional programs), and
 - instructional academic program?
2. Are there differences in differential pricing practices depending on an institution's sector (e.g., public, 4-year; private not-for-profit, 4-year)?

Methodology

- A survey questionnaire was created from the existing literature and interviews.
- Questionnaire items were tested through expert interviews, cognitive interviews, and a pilot study of 19 institutional researchers.

Methodology

- Stratified sampling design to maximize the efficiency of soliciting responses.
- 1,507 degree-granting Title IV institutions were contacted and 500 institutions responded yielding a 33% response rate.
- IPEDS data were used to answer some questionnaire items.

Methodology

- An analysis of non-response uncovered differences between sample responses and population in some institutional characteristics.
- Responses were weighted for unit-non-response and differential selection probabilities.
- Further analysis indicated that weighted estimates are representative of the population.

Results

Tuition and Fee levels by:

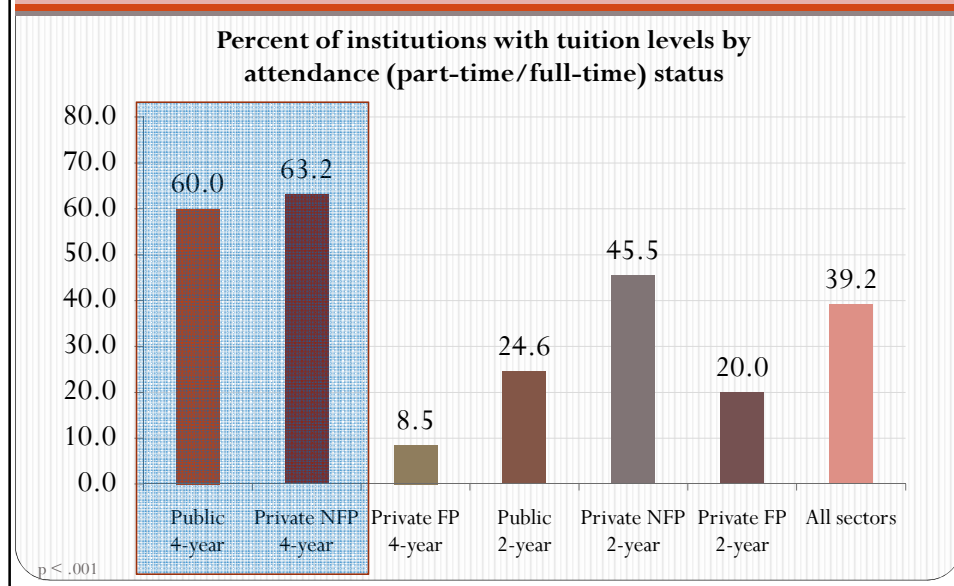
- Student status
- Student residency
- Service in the armed forces
- Instructional delivery method
- Instructional academic program

Results

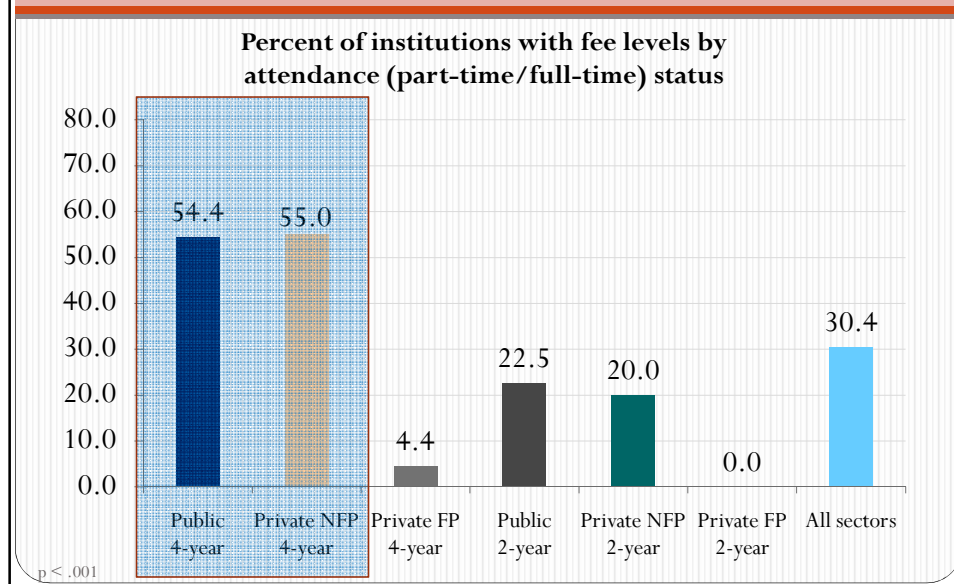
Tuition and Fee levels by:

- **Student status**
- Student residency
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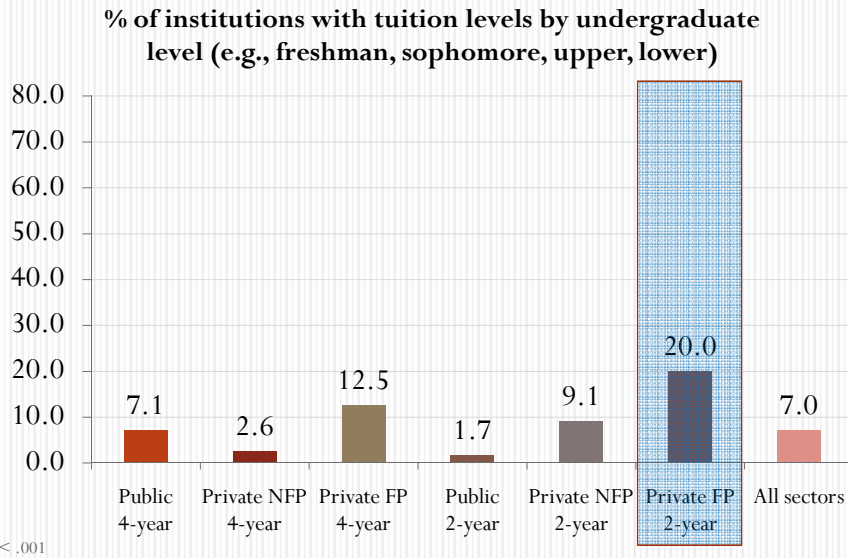
Tuition Levels by Student Status (Attendance)



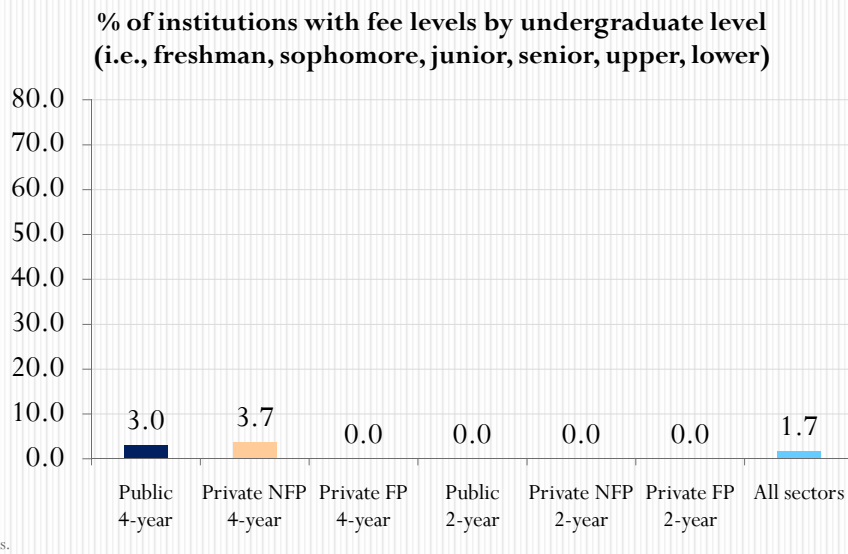
Fee Levels by Student Status (Attendance)



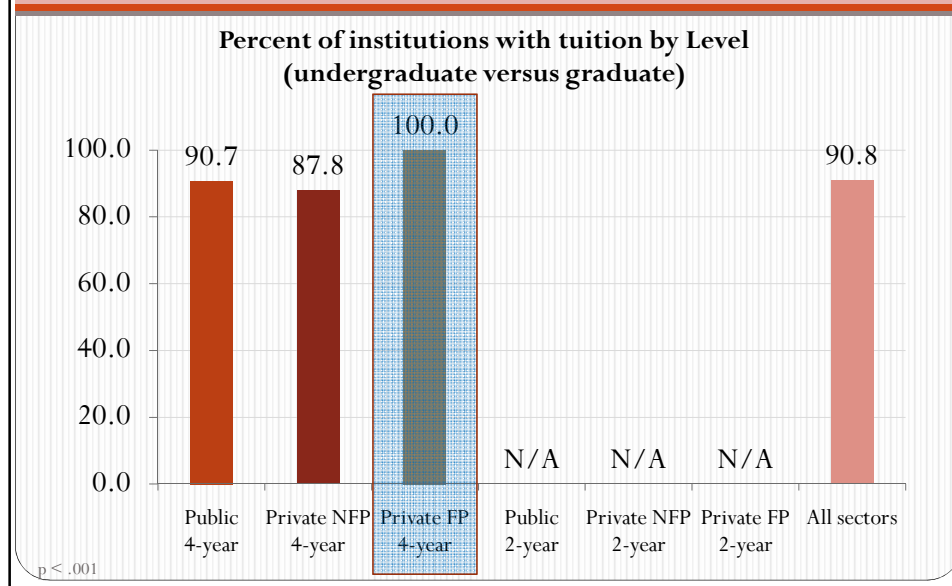
Tuition Levels by Student Status (UG level)



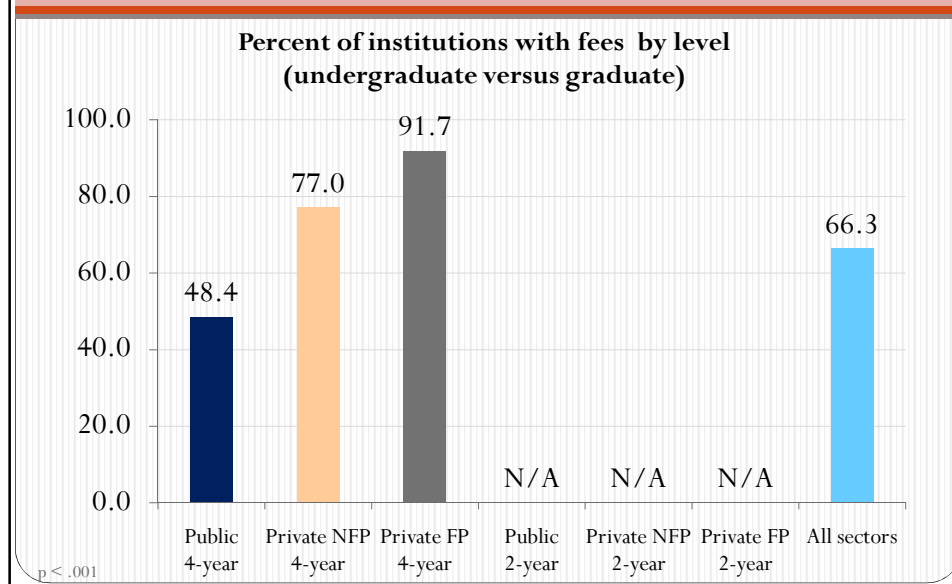
Fee Levels by Student Status (UG level)



Tuition Levels by Student Status (UG/Grad)



Fee Levels by Student Status (UG/Grad)



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Summary:

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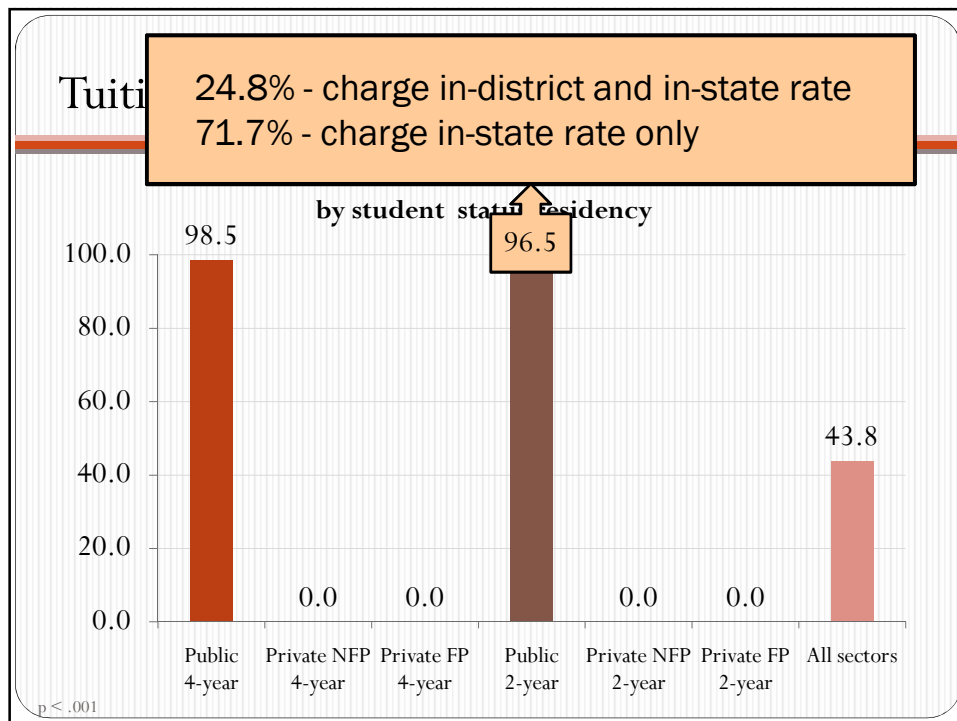
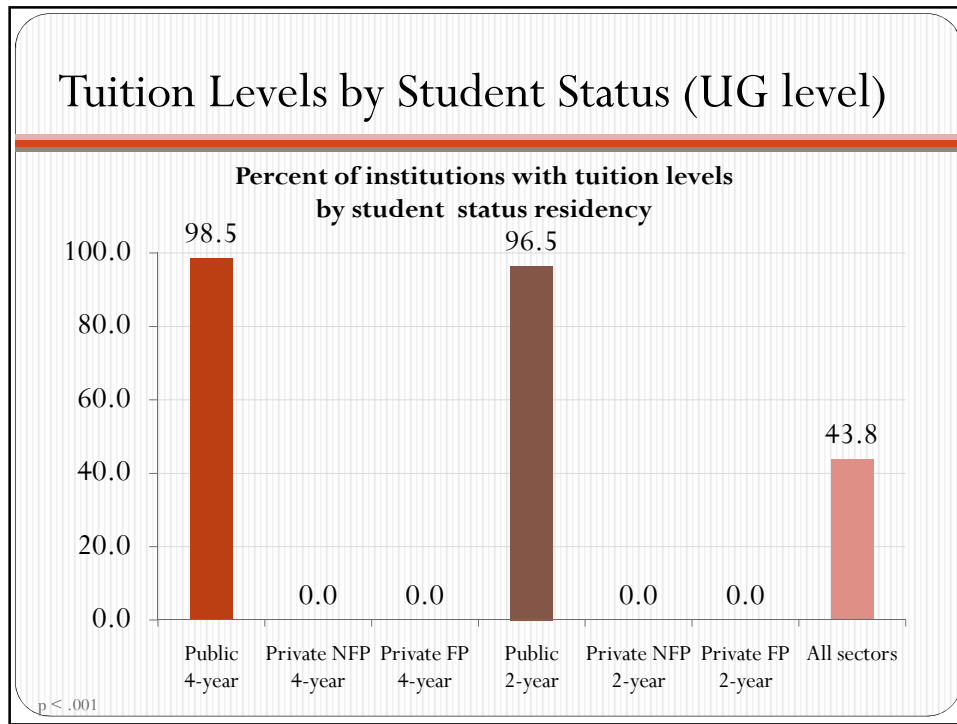
- 39% of institutions charge different tuition to part-time students (a greater proportion of which are Public and Private NFP 4-year institutions).
- Most institutions do not charge different tuition/fee levels due to undergraduate level.
- Most 4-year institutions charge different tuition levels to graduate students.

Results

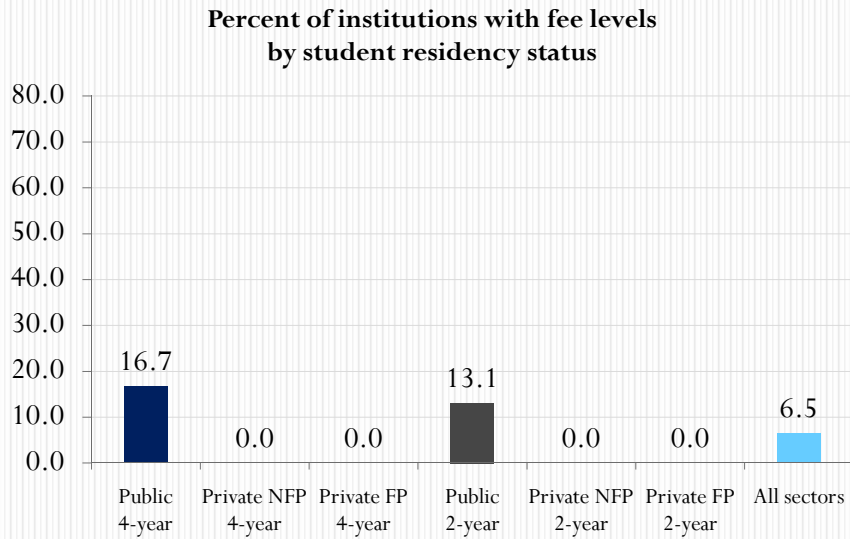
Tuition and Fee levels by:

- Student status
- **Student residency**
- Service in the armed forces
- Instructional delivery method
- Instructional academic program

Tuition Levels by Student Status (UG level)



Fee Levels by Student Residency



Results

Tuition and Fee levels by

- Student
- **Student**
- Service
- Instruc
- Instruc

Summary:

- Only public institutions charge different tuition and fee prices based upon a student's state of residence.

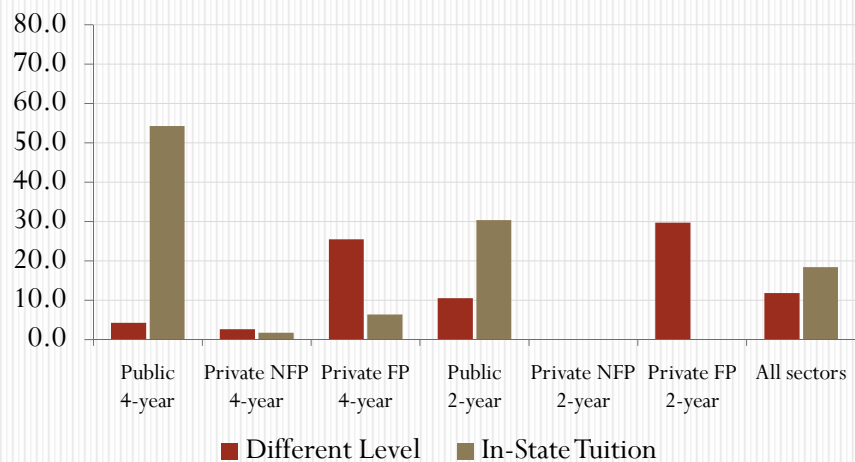
Results

Tuition and Fee levels by:

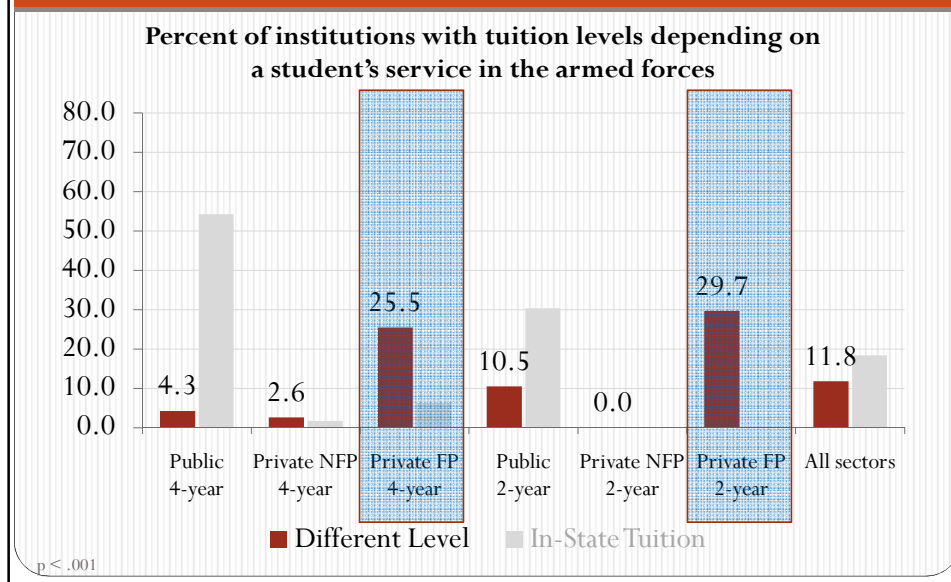
- Student status
- Student residency
- **Service in the armed forces**
- Instructional delivery method
- Instructional academic program

Tuition Levels by Service in Armed Forces

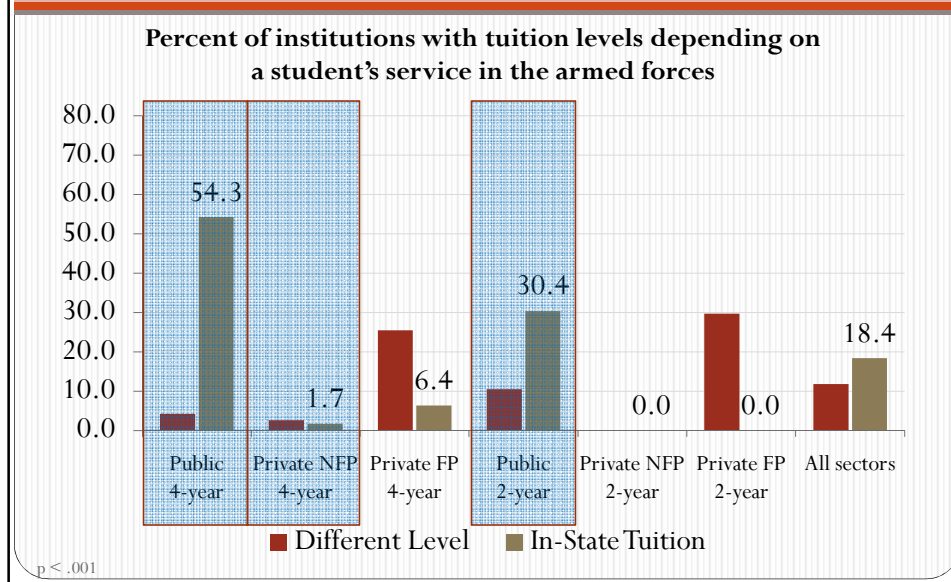
Percent of institutions with tuition levels depending on a student's service in the armed forces



Tuition Levels by Service in Armed Forces

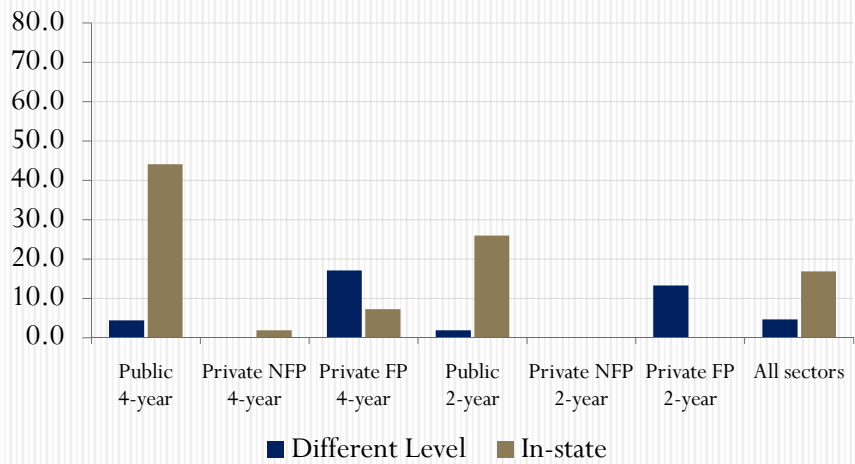


Tuition Levels by Service in Armed Forces



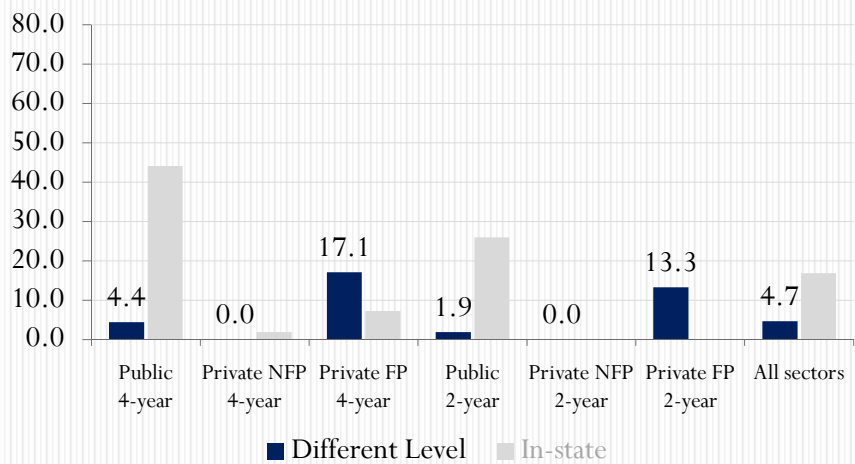
Fee Levels by Service in the Armed Forces

Percent of institutions with fee levels depending on a student's service in the armed forces



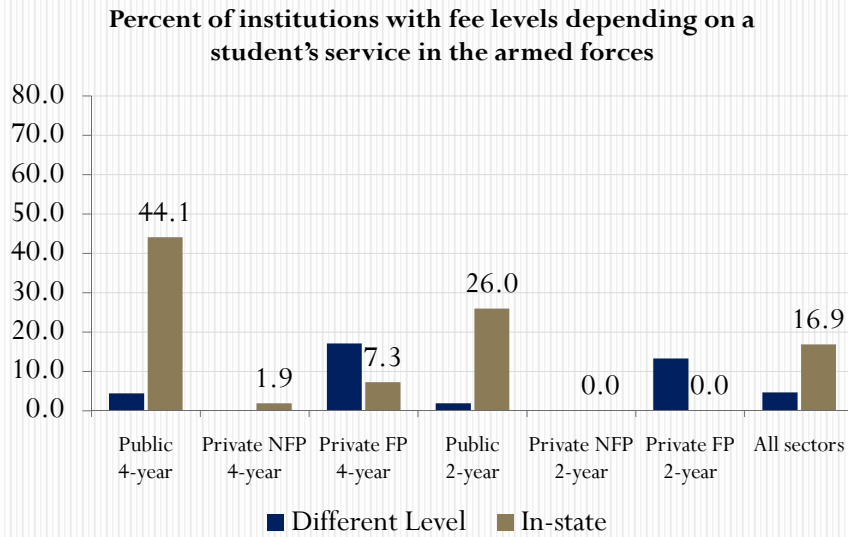
Fee Levels by Service in the Armed Forces

Percent of institutions with fee levels depending on a student's service in the armed forces



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Fee Levels by Service in the Armed Forces



Results

Tuition and Fees

- Student
- Student
- **Service**
- Instruction
- Instruction

Summary:

- More than 70% of institutions do not charge different tuition and/or fee levels to current or former members of the armed services.
- Of the public institutions that do provide a different price level, the charges are adjusted through student residency classification.

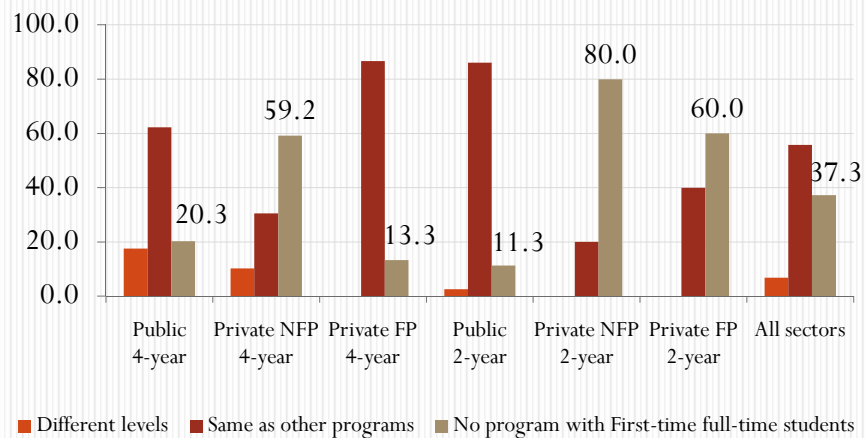
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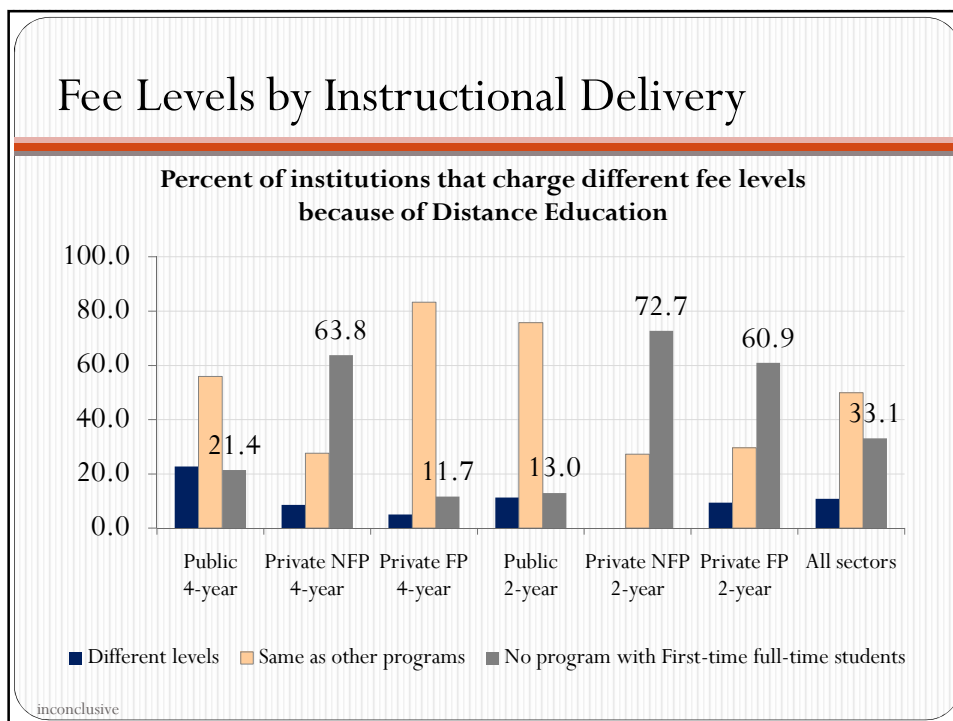
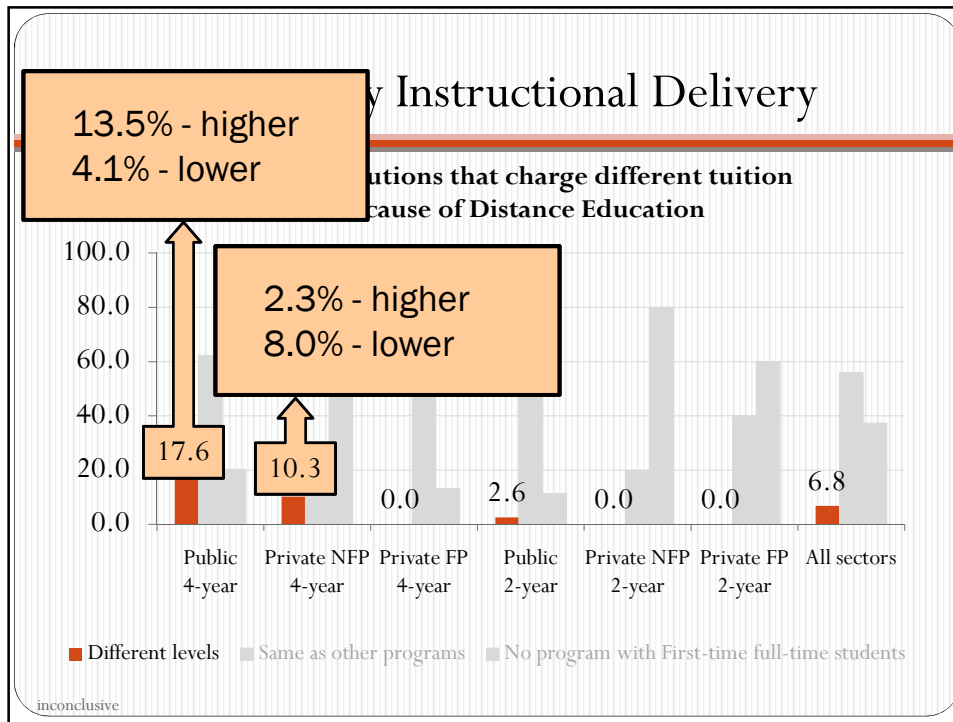
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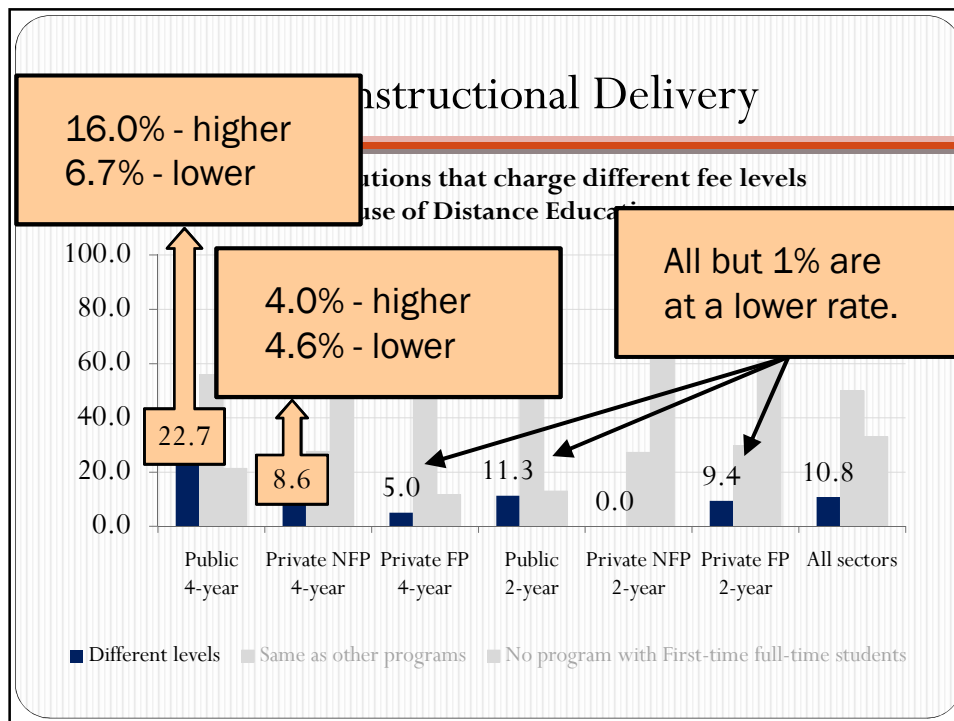
- Student status
- Student residency
- Service in the armed forces
- **Instructional delivery method**
- Instructional academic program

Tuition Levels by Instructional Delivery

Percent of institutions that charge different tuition levels because of Distance Education







- ### Summary:
- Nearly half of institutions charge the same tuition for distance education programs as traditional programs.
 - Approximately one-third of institutions do not have first-time full-time students in distance education programs.
 - Some institutions charge higher tuition/fee levels and others charge lower levels for distance education.

Results

Tuition and Fee levels by:

- Student status
- Student residency
- Service in the armed forces
- Instructional delivery method
- **Instructional academic program**

Tuition levels by Academic Program

Percent of institutions that charge different tuition levels to first-time full-time students based on academic program

	Percent (%) (n=500)
Academic Year Reporting Institutions	
All programs are charged at the same level	79.5
Some programs are charged at a different level	6.9
Program reporting (top 6 programs)	6.1
Does not report	
No undergraduate students	6.2
No first-time full-time students	1.3

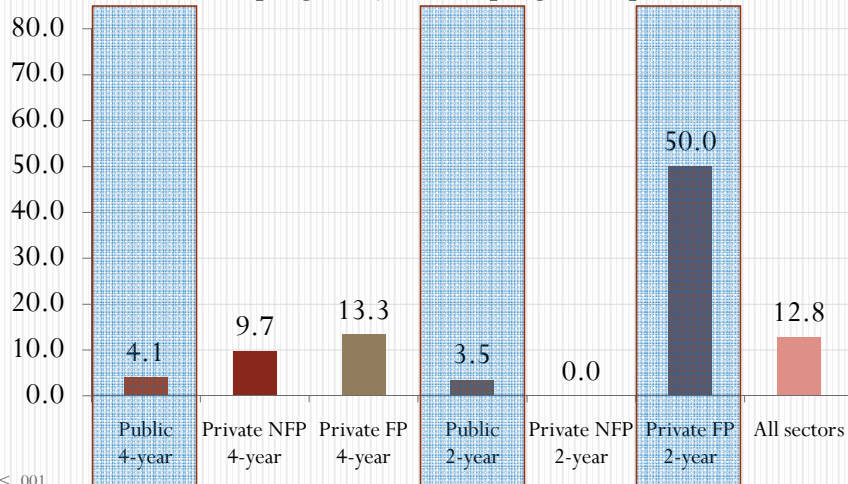
Fee levels by Academic Program

Percent of institutions that charge different fee levels to first-time full-time students based on academic program

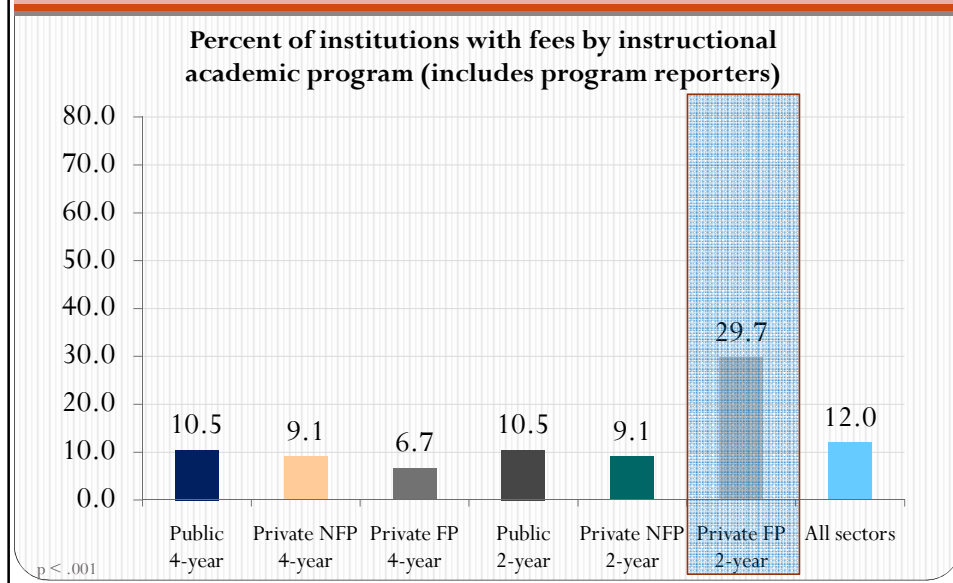
	Percent (%) (n=500)
Academic Year Reporting Institutions	
All programs are charged at the same level	69.8
Some programs are charged at a different level	8.5
Institution does not charge fees	8.1
Program reporting (top 6 programs)	
Reports top 6 programs	3.3
Institution does not charge fees	2.8
Does not report	7.5

Tuition Levels by Academic Program

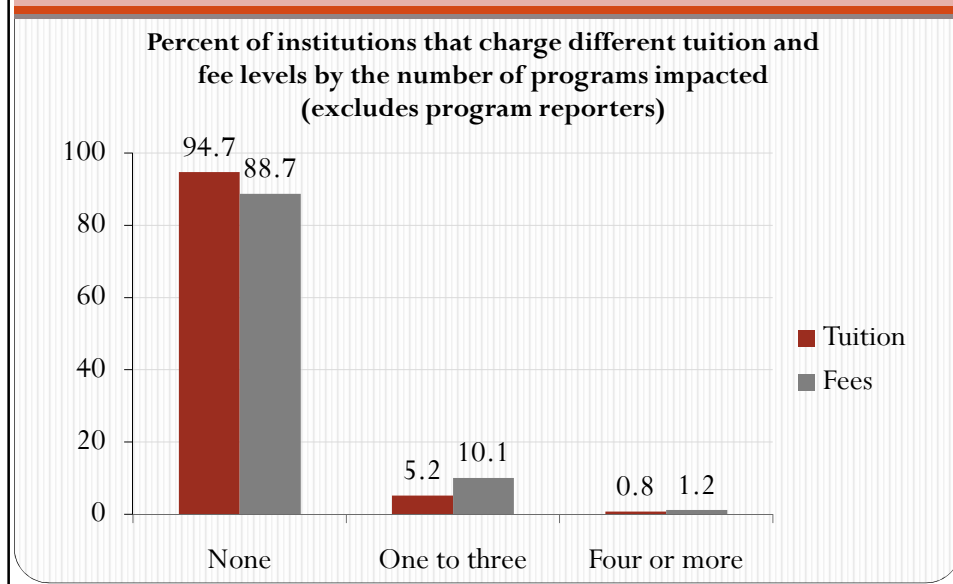
Percent of institutions with tuition by instructional academic program (includes program reporters)



Fee Levels by Academic Program



Tuition and Fee Levels by Program



Tuition Levels by Academic Program

Most common program areas (by 2-digit CIP code) that are charged at different tuition levels

Rank	Program Area (via Classification of Instructional Programs (CIP))	2-digit CIP	Institutions that have this program area (CIP) and charge different tuition level
			Percent (%)
1	Health Professions and Related Programs (n=372)	51	4.2
2	Business, Management, Marketing, and Related Support Services (n=387)	52	2.5
3	Computer and Information Sciences and Support Services (n=379)	11	< 2.0
4	Education (n=359)	13	< 2.0
5	Engineering (n=316)	14	< 2.0
Other program areas listed by at least one institution:			
	Agriculture, Agriculture Operations, and Related Sciences	01	
	Architecture and Related Services	04	
	Liberal Arts and Sciences, General Studies, and Humanities	24	
	Homeland Security, Law Enforcement, Firefighting, and Related Protective Services	43	

Fee Levels by Academic Program

Most common program areas (by 2-digit CIP code) that are charged at different fee levels

Rank	Program Area (via Classification of Instructional Programs (CIP))	2-digit CIP	Institutions that have this program area (CIP) and charge different tuition level
			Percent (%)
1	Legal Professions and Studies (n=100)	22	8.0
2	Health Professions and Related Programs (n=336)	51	6.7
3	Engineering (n=285)	14	2.6
4	Business, Management, Marketing, and Related Support Services (n=346)	51	<2.0
5	Education (n=320)	13	<2.0
6	Computer and Information Sciences and Support Services (n=344)		
Other program areas listed by at least one institution:			
	Agriculture, Agriculture Operations, and Related Sciences	01	
	Personal and Culinary Services	12	
	Engineering Technologies/Technicians	15	
	Biological and Biomedical Sciences	26	
	Psychology	42	
	Public Administration and Social Service Professions	44	
	Visual and Performing Arts	50	

Results

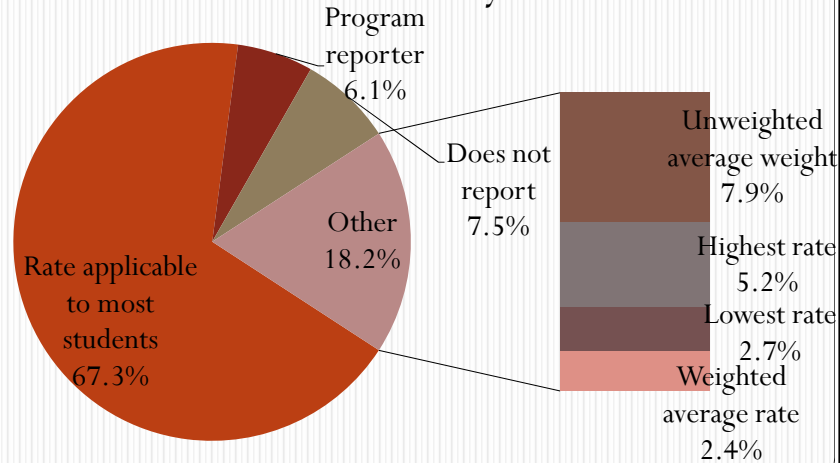
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Summary:

- Only 7-9% of academic reporting institutions charge different tuition/fee levels depending on academic program to first-time full-time students.
- Of institutions that charge different tuition levels, only one to three programs are impacted.

Summary

Percent of Percent of institutions reporting first-time full-time student tuition and fee levels to IPEDS by calculation method



Summary

Differentiation of tuition and fees is most likely to occur based upon the following factors:

- Full-time/part-time student status
- Undergraduate/graduate student status
- Student residency (public institutions only)
- Service in the armed forces (depending on sector)

Summary

Differentiation of tuition and fees is least likely to occur based upon the following factors:

- Undergraduate level (freshman, sophomore, junior, senior, upper level, lower level)
- Instructional delivery method
- Academic instructional program

Limitations

- Most of the questions in the survey focus only on first-time full-time students.
- Course fees were excluded from this analysis; students in science/technical fields on average would be charged higher tuition and fees because of lab courses.

Limitations

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- This may explain differences between Nelson's (2008) dissertation and these findings.
- students in science/technical fields on average would be charged higher tuition and fees because of lab courses.

Limitations

- The survey did not disaggregate tuition and fee charges by degree level. Many certificate programs are charged at a different tuition and fee level.

Limitations

A review of tuition schedules to check on data quality revealed the following practices:

- Differentiated tuition charges to upper level students who enter into clinical (such as in allied health fields) or a limited enrollment program.
- High mandatory fees for the first semester to pay for supplies (Homeland Security/Law Enforcement).

Contact Information

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