



Nontuition Expenses

Implications for College Affordability and Financial Aid Policies

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Most discussions of college prices and of students' and families' ability to pay those prices focus exclusively on tuition and fees. The "free college" movement has led to policies that in many cases eliminate tuition and fee charges for all students, regardless of their financial circumstances, without providing additional resources for students from low-income households to buy books and supplies and cover their living expenses while they are in school.

Some advocates for students do focus on hunger and housing hardships, often raising dire warnings about food insecurity and homelessness (Dubick, Mathews, and Cady 2016). Blagg and coauthors (2017) found that food insecurity at four-year colleges and vocational institutions largely mirrored food insecurity in society as a whole but that it was more prevalent at community colleges. We need solutions for hunger and homelessness throughout our society, including on college campuses. But this attention to extreme outcomes does not adequately capture the full extent of the financial challenges students face or the broader solutions that might address these challenges.

This brief provides background for discussions of how public policy can support students who, unable to work full time for pay, must cover food, housing, child care, transportation, and other costs in addition to tuition, fees, books, and other supplies. The goal of this preliminary work is not to propose specific solutions but to provide data that make the issues visible and to consider potential policy approaches.

The Problem

Tuition and fees, as well as books and supplies, are true costs of attending college. They are expenses students face only because they have enrolled in school. The same is not generally true of food, housing, and other basic living costs. Everyone must pay for these things whether or not they are in school.

Students may, however, face incremental living expenses. Living in a dormitory is more expensive than living in your parents' house after high school. Transportation to classes might be more expensive (or less expensive) than transportation to a full-time job.

But the largest cost for many students is the opportunity cost. If students do not work full time when they are in school—and could have worked full time if they were not in school—they sacrifice wages. This forgone income, which would have paid for living expenses, creates significant financial hardship for many students. Working full time while trying to earn a college degree is challenging and frequently leads students to drop out, or at least to enroll part time and spend more years in college, without the credential that would allow them to earn higher wages (Carnevale and Smith 2018).

As a result, many students struggle financially even if grant aid covers their tuition and fees.

The best available measure of nontuition expenses relies on institutional estimates of cost of attendance. The federal government requires institutions to estimate total student budgets as part of the federal aid allocation process. These budgets are standardized in that they include housing, food, transportation, miscellaneous expenses, and books and supplies (including a personal computer), as well as an allowance for child care or other dependents.¹

But some measure of total student budgets is critical to understanding and diminishing the financial barriers to college enrollment and success.

The Goal

If students do not have enough money to meet their necessary expenses, giving them more money is the obvious solution. More money could mean increasing financial aid, preferably in the form of grant aid to avoid exacerbating student debt problems. More money could mean ensuring that students earn higher wages for the hours they can work. Or it could mean lowering the prices students pay—for tuition and fees, campus housing, books, or other items in their budgets—so their dollars go further.

But providing all students enough funding to cover their entire budgets—an unlikely outcome in the current economic and political environment—would not be a panacea. We would prefer a society with a stronger safety net where many fewer people face housing and food insecurity or face difficulty paying for child care, health care, and other necessities. But providing that security only for college students could make enrolling in college the surest temporary relief from financial pressures—not the best motivation for continuing education.

The optimal solution is likely to involve a compromise, providing significantly more grant funding than is currently available to the large number of students with high levels of unmet need struggling to make ends meet while in college—but not enough funding to absolve students of any responsibility for paying for a portion of their own expenses while they are in college with a combination of earnings and loans.

Information about the expenses students face and the resources available to them provides important background for developing policy solutions.

Living Expense Budgets for Students at Different Types of Institutions in Different Locations

One difficulty with estimating student budgets is the range of living arrangements. Food and housing expenses are straightforward for those living on campus. But in 2015–16, just one-third of full-time undergraduates attending one institution (and 16 percent of all undergraduates attending one institution) lived on campus. For other students, institutions must estimate food and housing expenses, in addition to other budget items.

TABLE 1
Undergraduate Students' Living Arrangements, 2015–16

	On campus	Off campus	With parents
Full-time full-year students at one institution			
All sectors	32%	44%	24%
Public four-year	36%	46%	17%
Private nonprofit four-year	58%	29%	13%
Public two-year	5%	44%	51%
For-profit	3%	73%	24%
All students attending one institution			
All sectors	16%	57%	27%
Public four-year	29%	52%	19%
Private nonprofit four-year	43%	44%	13%
Public two-year	2%	59%	39%
For-profit	2%	79%	19%

Source: 2016 National Postsecondary Student Aid Study, PowerStats table pbrven.

In 2019–20, nontuition expenses—based on the somewhat arbitrary budgets colleges compose—ranged from 14 percent of the median student budget for private nonprofit four-year college students living with their families and 27 percent for for-profit college students with this living arrangement to 65 percent of the total budget for four-year public college students living off campus and 76 percent for public two-year college students living off campus (table 2).

TABLE 2

Nontuition Expenses in Cost of Attendance, 2019–20

	Two-Year Colleges		Four-Year Colleges	
	Nontuition expenses	Nontuition share of COA	Nontuition expenses	Nontuition share of COA
With family				
Public	\$5,520	56%	\$5,140	40%
Private nonprofit	\$5,570	28%	\$4,780	14%
Private for-profit	\$5,800	27%	\$5,680	27%
Off campus				
Public	\$14,230	76%	\$15,380	65%
Private nonprofit	\$16,100	51%	\$15,330	34%
Private for-profit	\$16,080	50%	\$15,690	50%
On campus				
Public	N/A	N/A	\$15,280	62%
Private nonprofit	N/A	N/A	\$15,170	32%
Private for-profit	N/A	N/A	\$16,920	44%

Source: 2019–20 Integrated Postsecondary Education Data System data.

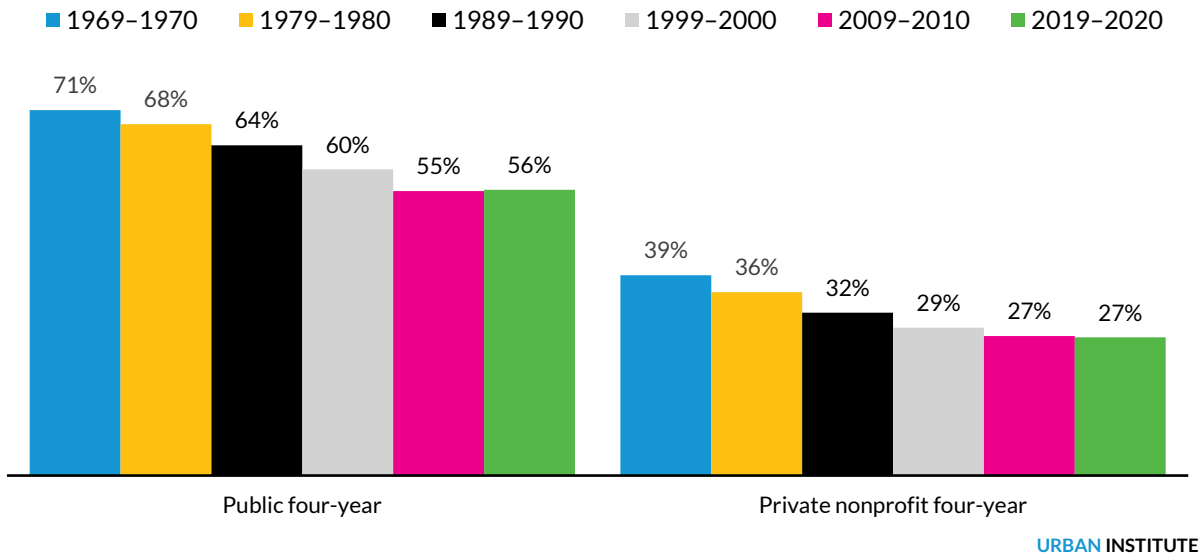
Note: COA = cost of attendance; N/A = not applicable.

Prices over Time for Tuition and Fees and Room and Board at Different Types of Institutions

For students who live on campus, tuition and fees have risen more rapidly than room and board charges, lowering the share of charges not included in tuition and fees (figure 1). But in 2019–20, room and board still constituted 56 percent of total tuition, fees, room, and board charges at public four-year institutions and 27 percent of the total at private nonprofit four-year institutions.

FIGURE 1

Room and Board as a Share of Institutional Charges



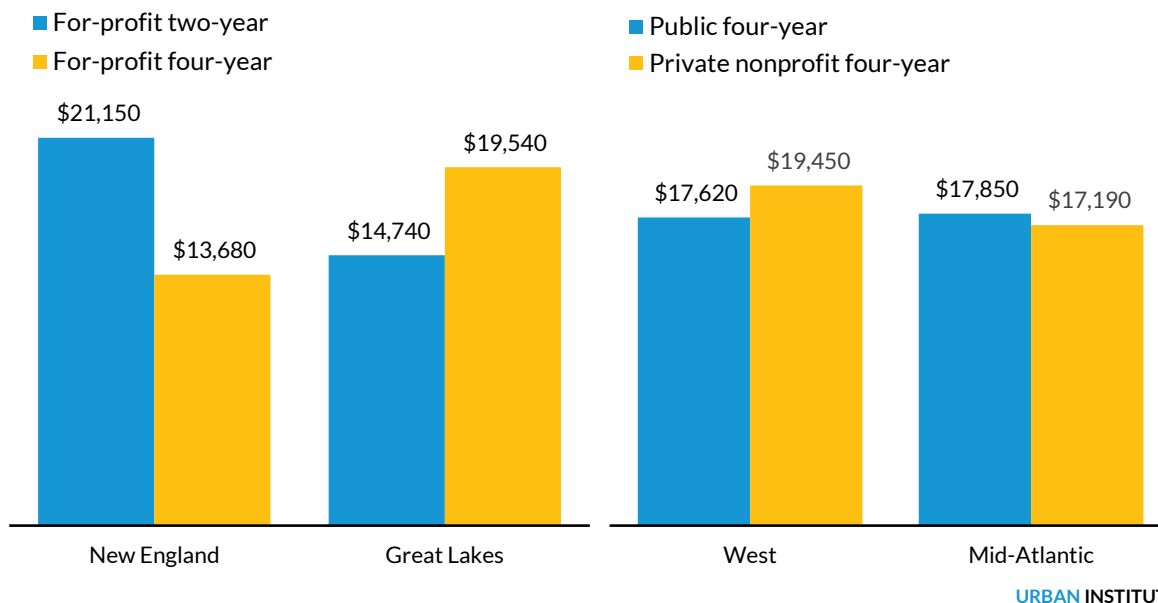
Source: 2021 Digest of Education Statistics, table 330.10.

Regional Differences

Comparing nontuition budgets for students living off campus in different regions adds perspective on the lack of precision for these estimates. In New England, the median nontuition budget for two-year for-profit students living off campus is significantly higher than the budget for similar students at four-year for-profits. In the Great Lakes region, the pattern is reversed. Similarly, median off-campus nontuition budgets are higher at private nonprofit colleges than at public four-year colleges in the West but are lower in the Mid-Atlantic states (figure 2).

FIGURE 2

Nontuition Budgets, by Region, 2019–20



Source: 2019–20 Integrated Postsecondary Education Data System data.

Nontuition expenses, which vary less than tuition prices, make up a higher share of student budgets in sectors with lower tuition prices (table 3). For off-campus students at public two-year colleges, the range is from 64 percent in the Great Lakes region to 94 percent in the West. For off-campus students at public four-year colleges, the range is from 53 percent in New England to 76 percent in the West. And at private nonprofit four-year colleges, the range is from 27 percent in New England to 49 percent in the Rocky Mountain states. The impact of inadequate attention to living expenses differs depending on where students live and what type of institution they attend.

TABLE 3

Nontuition Expenses as a Share of Median Budget for Off-Campus Students, by Region

	Public two-year	Public four-year	Private nonprofit four-year
Great Lakes	64%	61%	30%
New England	75%	53%	27%
Rocky Mountain	79%	68%	49%
West	94%	76%	38%

Source: 2019–20 Integrated Postsecondary Education Data System data.

Nontuition Expenses: Variation by State

Comparisons of living expense budgets across states partly indicate cost-of-living differences. For example, median nontuition expense estimates for public two-year college students living off campus in 2019–20 ranged from around \$11,000 in Michigan and West Virginia (both of which have lower-than-

average costs of living²) to more than \$20,000 in New Hampshire (which has a higher-than-average cost of living) and California (where the cost of living is higher than in every other state except Hawaii).

The implications of this wide variation are important for financial aid policies. Even if grant aid covered tuition and fees, a student using the maximum Pell grant—which is not adjusted for geography—for living expenses in California would be left with unmet need exceeding the total nontuition budget for a Michigan student (table 4).

TABLE 4
Median Estimated Expenses for Students at Public Two-Year Institutions Living Off Campus

State	Nontuition expenses	Tuition and fees	Total cost of attendance	Share of total cost that is not tuition and fees
Michigan	\$10,740	\$6,680	\$17,500	61%
California	\$22,300	\$1,280	\$23,600	94%

Source: 2019–20 Integrated Postsecondary Education Data System data.

Cost of living does not explain all differences in budget levels. For example, the median estimate of nontuition expenses for public four-year college students living off campus in California is nearly \$5,000 more than that of Rhode Island (table 5). But for students living with family, California’s average expense estimate is about \$1,700 less than Rhode Island’s. It would seem that if cost of living dictates that California’s nontuition expenses are higher for students living off campus, those expenses should also be higher for students living with family, but the budgets do not reflect that logic. Other Urban Institute research finds that only about half the variation in living allowances across institutions is explained by local living costs or student living arrangements (Libassi and Mabel 2022).

TABLE 5
Median Estimated Nontuition Expenses for Students at Public Four-Year Institutions

State	Off campus, nontuition expenses	Off campus with family, nontuition expenses
California	\$21,540	\$5,260
Rhode Island	\$16,750	\$6,990

Source: 2019–20 Integrated Postsecondary Education Data System data.

Looking at individual institutions in these states highlights these inconsistencies. For example, miscellaneous nontuition costs that are not included in books and supplies or room and board at California State University, Fullerton, are estimated to be higher than these costs at the University of Rhode Island for on-campus and off-campus students but are significantly lower for students living with family (table 6).

TABLE 6

Estimated Miscellaneous Nontuition Costs, by Living Arrangement

Institution	On campus	Off campus	Off campus with family
California State University, Fullerton	\$3,133	\$5,003	\$4,036
University of Rhode Island	\$2,496	\$4,546	\$9,378

Source: 2021–22 College Navigator data.

Under the current cost-of-attendance estimates, it appears some students in similar circumstances could be left with highly variable amounts of unmet need simply because of institutional differences in estimating nontuition costs.

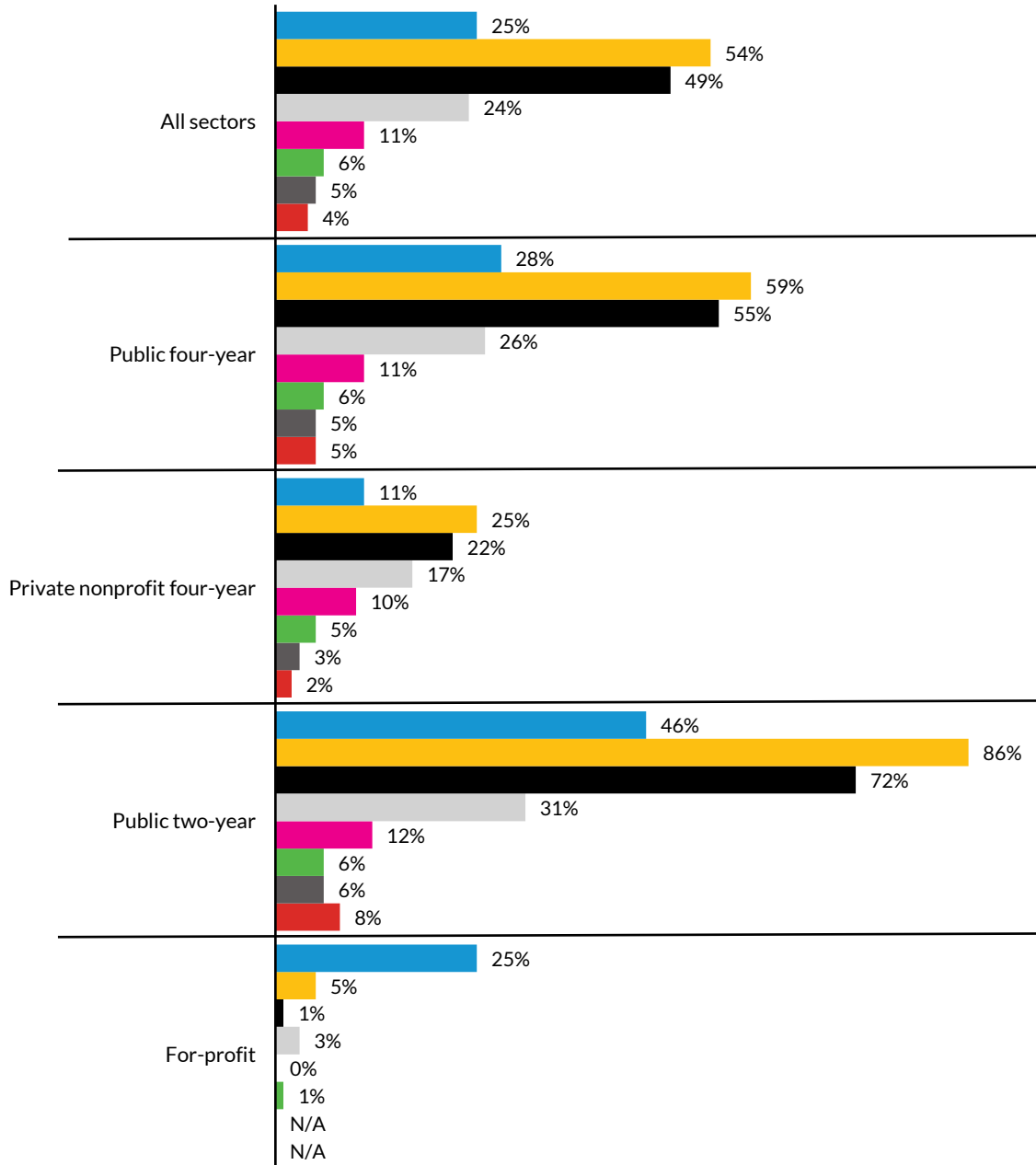
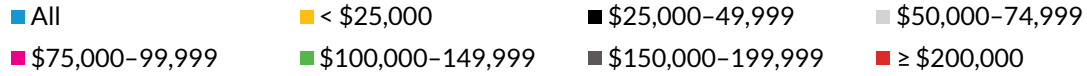
Grant Aid Relative to Tuition and Fees and Cost of Attendance

Many students receive enough grant aid to cover all or most of their tuition and fees. In 2017–18, 25 percent of full-time dependent students paid \$0 net tuition and fees. Almost half of those at public two-year colleges received enough grant aid to cover tuition and fees. For students from low-income families, these shares are higher. Among those with parent incomes less than \$25,000, the share not paying tuition and fees ranged from 5 percent at for-profit institutions and 25 percent at private nonprofit four-year institutions to 59 percent at public four-year institutions and 86 percent at public two-year colleges (figure 3).

FIGURE 3

Share of Full-Time Dependents Students with \$0 Net Tuition and Fees, by Family Income

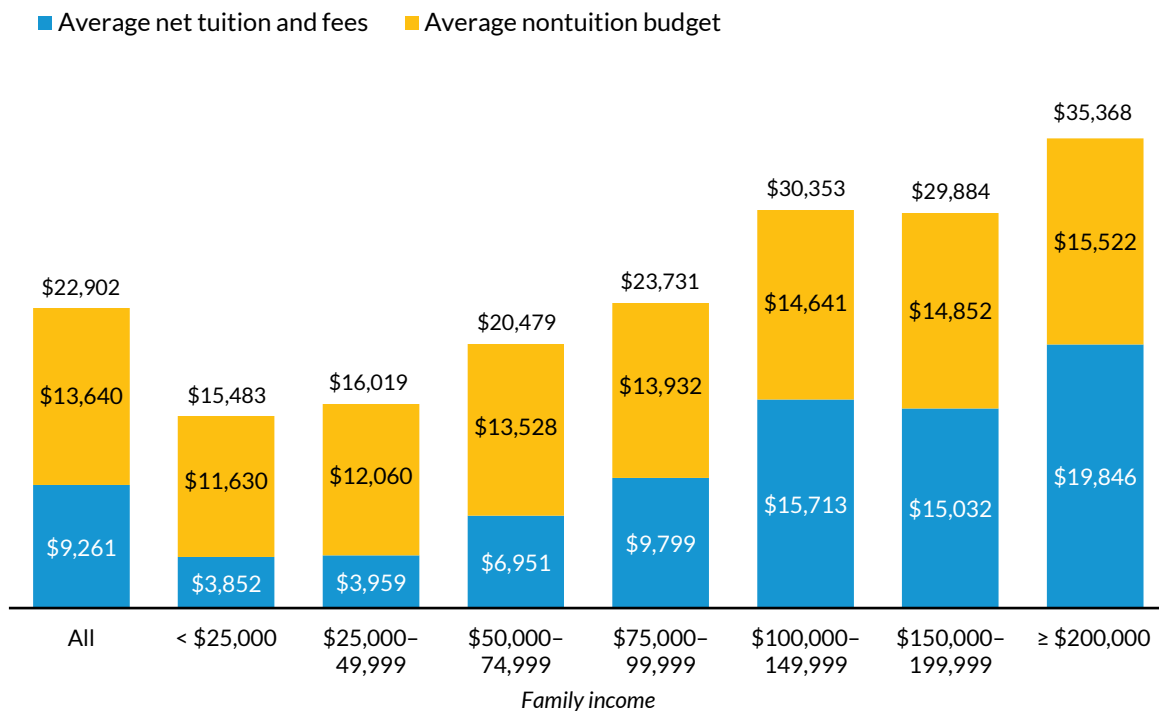
Family income



Source: 2018 National Postsecondary Student Aid Study, PowerStats table vzwuue.

But these students still have living expenses. The dollar gap between net tuition and fees and net budgets is generally larger for high-income students than for others because they receive less grant aid and because they attend different institutions. But proportionately, the difference is larger for low-income students. For example, the average net tuition and fee prices for the lowest-income dependent public two-year college students is \$335. The average net budget is about \$8,700. The average net budget for public four-year college students from families with incomes below \$50,000 is five times as high as net tuition and fees—about \$15,000 compared with \$3,000. Figure 4 shows these average net expenses for all dependent undergraduates. Appendix table A.1 examines undergraduate students by sector. Ignoring nontuition expenses cannot be a successful strategy for ensuring college access and success.

FIGURE 4
Average Net Prices, Full-Time Dependent Undergraduate Students, 2017–18



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Source: National Postsecondary Student Aid Study, PowerStats table oouobi.

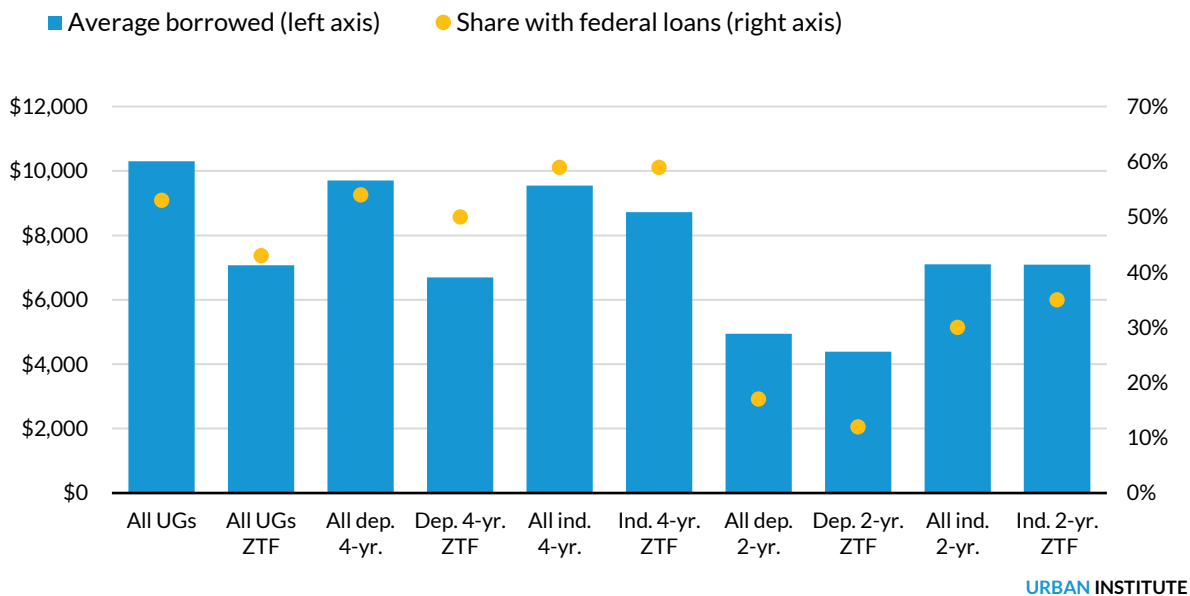
Note: Based on National Postsecondary Student Aid Study variable measuring student budget less all grant aid.

Borrowing Patterns for Students with \$0 Net Tuition

Grant aid covering tuition and fees—or free tuition and fees—does not prevent students from accruing debt. Among 2017–18 undergraduates, 43 percent of those paying \$0 net tuition and fees took federal loans, compared with 53 percent of all undergraduates. Those not paying tuition borrowed about

\$3,000 less than the overall average. The demographics and types of institutions attended differ between these two groups. But controlling for sector and dependency status does not change the picture much. For example, 59 percent of independent students paying no tuition at public four-year institutions borrowed an average of \$8,700; 59 percent of all independent undergraduates at these institutions borrowed an average of \$9,500. Borrowing for nontuition expenses is apparently common (figure 5).

FIGURE 5
Annual Borrowing 2017–18 (with Share of Students Taking Federal Loans)



Source: 2018 National Postsecondary Student Aid Study, PowerStats tables krkcud and tayysk.

Note: dep. = dependent students; ind. = independent students; UGs = undergraduates; ZTF indicates students paying \$0 net tuition and fees.

Student Access to SNAP and Other Income-Support Programs

The families of one-fifth of undergraduate students receive a federal income-support benefit, generally Supplemental Nutrition Assistance (SNAP) or free and reduced-price school lunches. These benefits are most common among families of students at for-profit institutions, who are most likely to be older and from low-income households (table 7).

TABLE 7

Undergraduate Students Receiving Federal Income-Support Benefits, 2015–16

	Received any federal benefit	Received SNAP (food assistance)	Received FRPL	Received SSI	Received TANF
All sectors	20%	13%	11%	3%	2%
Public four-year	14%	8%	8%	2%	1%
Private nonprofit four-year	13%	7%	7%	2%	1%
Public two-year	22%	14%	12%	3%	2%
For-profit	38%	28%	19%	4%	4%

Source: 2016 National Postsecondary Student Aid Study, PowerStats table syhhej.

Note: FRPL = free and reduced-price lunch; SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families.

Potential Policy Approaches

Further investigation of the issues raised in this brief, including differences among students by race, ethnicity, and age, would provide stronger grounding for policy discussions.

Our goal is to move the conversation away from a focus on unmet need and away from free college as a solution to find constructive ways of helping students meet their expenses while they are in school. Giving students more money by, for example, significantly increasing Pell grants, is an obvious solution. Another strategy for getting more money into students' hands is to help them access federal and state income support programs. Both public policy and postsecondary institutions have a role. For example, recent state legislation requires community colleges and public universities in Oregon to hire benefits navigators to help connect students to public benefits programs for which they qualify.³ Connecting students to these benefits, alone, will not solve the problem, but it could be one way for institutions to provide additional assistance to low-income students. And modifying public policy to include more students in these programs will make these efforts more effective.

But even with these strategies, it is important to consider the real variation students face in expense levels. Free college programs and state grant programs that promise to cover tuition and fees with grant aid may deflect attention from living expenses because policymakers often focus singularly on covering tuition and fees when trying to eliminate affordability problems. Last-dollar “free” college programs are particularly problematic because they require the application of Pell grants and need-based state grants to tuition and fees, narrowing or eliminating the differences in subsidies among students in different financial circumstances. Low-income students may be left without assistance in meeting their living expenses under these programs. If a tuition-free community college program were implemented without additional aid for living expenses, students in locations with high living expense budgets would be left with larger financial barriers to college than students in areas with lower costs of living.

One area to investigate is greater standardization of student expense budgets. Developing a reliable national strategy for incorporating cost-of-living differences is challenging. Accurate budgets are a necessary component of accurate measures of unmet financial need, but absent geographic

adjustments for Pell grants and other aspects of the federal financial aid system, it may be more practical to use a standard living allowance—possibly differing by living arrangement—as a basis for allocating financial aid.

A basic living allowance could be added to tuition and fees, replacing the questionable calculations for cost of attendance. The current federal poverty level is about \$13,000 for a single person, which is not an adequate threshold for covering expenses, especially when considering books and supplies and other incremental expenses associated with being a college student. But such an allowance could be the base for what grant aid should cover in living expenses for the lowest-income students. This approach would move us away from the extremes of tuition and fees only versus students needing all their living expenses covered.

Developing constructive policy proposals for helping students cover their living expenses while they are in school is an important next step for state and federal financial aid policy.

Appendix

TABLE A.1

Average Net Prices by Sector, Full-Time Dependent Undergraduate Students, 2017–18

	All Dependent Undergraduates		Public Four-Year		Private Nonprofit Four-Year		Public Two-Year		For-Profit	
	Avg. NTF	Avg. NSB	Avg. NTF	Avg. NSB	Avg. NTF	Avg. NSB	Avg. NTF	Avg. NSB	Avg. NTF	Avg. NSB
All	\$9,261	\$22,902	\$7,048	\$20,802	\$17,606	\$32,472	\$1,818	\$12,800	\$10,231	\$23,514
< \$25,000	\$3,852	\$15,483	\$2,828	\$14,693	\$8,402	\$21,888	\$335	\$8,723	\$8,894	\$20,223
\$25,000–49,999	\$3,959	\$16,019	\$2,701	\$15,157	\$9,091	\$21,975	\$605	\$10,013	N/A	N/A
\$50,000–74,999	\$6,951	\$20,479	\$5,766	\$19,929	\$11,967	\$25,793	\$2,055	\$12,893	\$19,253	\$29,868
\$75,000–99,999	\$9,799	\$23,731	\$8,600	\$22,681	\$15,264	\$30,290	\$2,992	\$14,424	\$17,177	\$28,622
\$100,000–149,999	\$15,713	\$30,353	\$11,390	\$26,016	\$27,529	\$43,185	\$3,590	\$14,875	\$17,233	\$34,238
\$150,000–199,999	\$15,032	\$29,884	\$12,082	\$26,932	\$22,876	\$38,514	\$3,891	\$15,251	\$23,289	\$31,992
≥ \$200,000	\$19,846	\$35,368	\$13,111	\$28,181	\$29,388	\$45,753	\$3,500	\$15,714	N/A	N/A

Source: National Postsecondary Student Aid Study, PowerStats table oouubi.

Note: N/A = not applicable; NSB = net student budget; NTF = net tuition and fees.

Notes

- ¹ “What Does Cost of Attendance (COA) Mean?” US Department of Education, Office of Federal Student Aid, accessed June 14, 2022, <https://studentaid.gov/help-center/answers/article/what-does-cost-of-attendance-mean>.
- ² “Cost of Living Index by State,” World Population Review, accessed June 14, 2022, <https://worldpopulationreview.com/state-rankings/cost-of-living-index-by-state>.
- ³ Chris Geary, “What Can Community Colleges Do to Help Students Afford Higher Education?” New America blog, June 1, 2022, <https://www.newamerica.org/education-policy/edcentral/community-colleges-help-students-afford-higher-education/>.

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