

BOSTON CAPITAL

The real cost of higher education in Mass.



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Graduates walked through Harvard Yard.

The year's incoming college freshman class has the summer to think about the first test question of the fall: How on earth am I going to pay for this?

That's hardly an original problem. But the growing focus on student debt and the long-lasting financial burden it can inflict on young people make the cost of college more pressing than ever. Massachusetts ranked 12th among states when it came to the debt shouldered by 2010 graduates, according to the Project on Student Debt.

Simply computing college costs is complicated. I patched together information on the real average cost at many of the state's well-known private universities — blending the sticker prices for tuition

The first conclusion: Leading Massachusetts universities seem to charge nearly identical prices to new undergraduate students. But average costs from one school to another actually vary by as much as 50 percent.

The second conclusion: The wealthiest, most elite schools are the least expensive to attend thanks to giant endowments and other resources. Harvard University charged students less, on average, than any other private undergraduate school I tested.

The actual average cost of attending Harvard was nearly 50 percent below the university's listed total price of \$53,950 for new undergraduates in a recent academic year.

The sticker prices listed by more than a dozen leading Massachusetts universities are strikingly similar — around \$55,000 for all on-campus undergraduate expenses this year, give or take a few thousand dollars. On the surface, none of those schools would seem to be competing on price.

But many students receive a range of discounts to those sticker prices through grants and scholarships — actual financial aid as opposed to loans. In fact, pricing everywhere is all over the map. It's hard to get the big picture into focus.

I gave it a try and pulled together financial data on the 2010-11 school year, the most recent available, to produce something close to a true average cost per student at individual schools. I ran those numbers for 14 well-known private universities that charge similar tuitions.

In fact, there was a much greater range of average student expenses than the sticker prices would suggest. Those range from a low of \$28,979 to a high of \$43,797.

And then there were the relative bargains offered by the wealthiest colleges. Harvard was followed by MIT and Wellesley College when it came to the lowest average costs.

The richest schools have substantial resources to underwrite more student aid. Harvard uses some of its \$32 billion endowment to do exactly that. MIT's endowment stands at nearly \$10 billion. All the other university endowments in Massachusetts amount to less than \$2 billion — much less in most cases.

The most expensive school in my test was Tufts University (\$43,797), followed by Babson College (\$41,135). Boston University and Boston College were close behind, neck-and-neck with average costs a bit over \$40,000 each.

The other tested schools — in order of average expense — were Brandeis University, Smith College, College of the Holy Cross, Northeastern University, Bentley College, Worcester Polytechnic Institute, and Williams College.

The average costs for the group of schools — an average of averages — is \$36,287. One point of comparison: The public University of Massachusetts Amherst costs an average of \$17,958, by my method.

I based my calculations on data from the National Center for Education Statistics, a federal entity that tracks college costs. My calculation blended stated prices and average net charges to students receiving aid. The proportions match the profile of freshman students at each school.

One important note: Averages only tell you so much. Students and parents looking at schools are better served using more personalized services, like “net price navigators” offered online by universities, for cost estimates that apply to them.

Some schools offer smaller amounts of financial aid to a large percentage of students — as much as 98 percent at WPI. Others offer large amounts of assistance but target a smaller part of the student population.

Universities are reluctant to compete overtly on prices. Some, like Tufts, emphasize the amount of aid they extend to students who need it most. Others, like Babson, focus on superior long-term earnings power of their graduates.

But true costs matter, and they are only going to become a bigger factor in years ahead. The wealthiest schools have the money to react. Others need the will and the smarts to respond.

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