



# Five Facts about the Sharp Rise in College Living Costs

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**Public discussions of rising college prices tend to focus on the well-documented increase in tuition and fees. But students and their families also have to cover living costs, such as housing, food, transportation, and other expenses, during a time when their earning capacity is reduced.**

It is commonly assumed that the cost of living is about the same as it has always been, after inflation is taken into account. But it turns out that college living costs, namely charges for room and board (e.g., meals), have risen at a startling rate in recent decades and make up a large proportion of the increase in the cost of attending both two- and four-year colleges.

This brief reports five surprising facts about the run-up in room and board charges at residential campuses (i.e., campuses with at least one dormitory) based on analyses of institution and student data (see appendix for details):

1. Room and board charges at four-year colleges have outpaced inflation, doubling since 1980 (in inflation-adjusted dollars)
2. Living costs have contributed to declining college affordability
3. Room charges have increased more than board charges at both public and private colleges
4. Room prices and market rents have converged in recent years
5. Room and board charges do not capture living costs faced by off-campus students

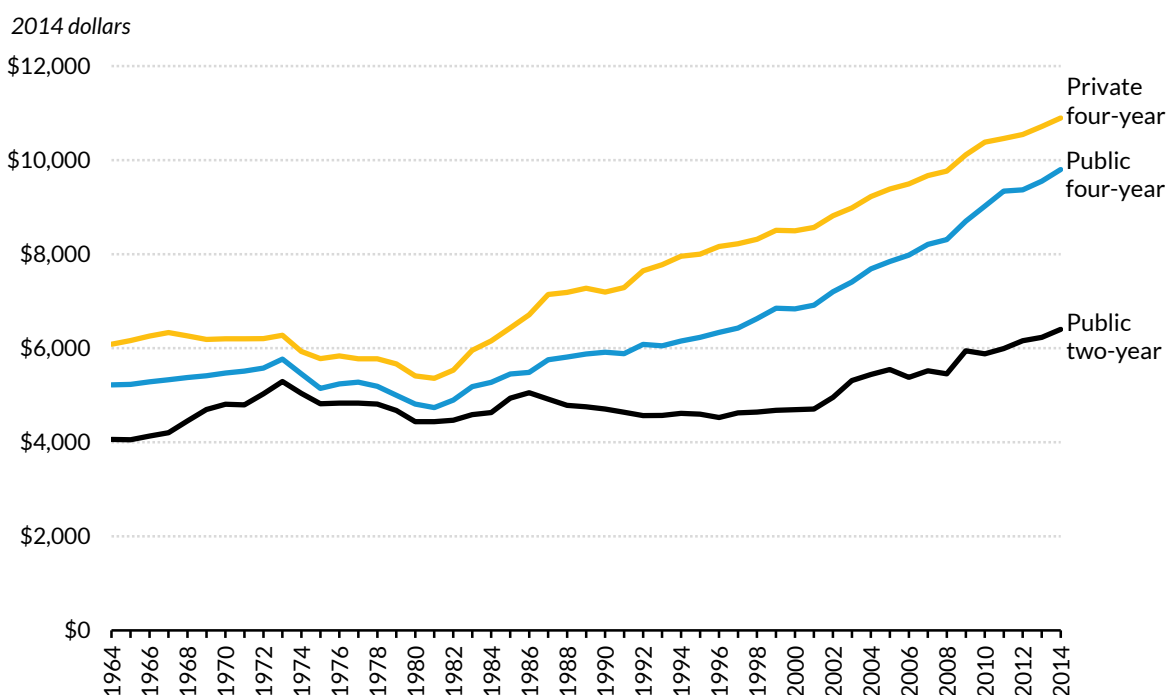
Future reports will begin to untangle why living costs have increased so much and broaden the picture to include the costs that students who live off-campus face, as well as other nontuition costs, such as transportation.

# Room and Board Charges Have Outpaced Inflation

Room and board charges were largely flat from 1964 to 1980, but they have increased markedly since then. The charges have increased across all sectors of higher education, doubling from 1980 to 2014 at public and private four-year colleges and increasing by over 40 percent in public two year colleges (in inflation adjusted dollars) (figure 1). In 1980, public four-year colleges charged an average of \$4,812 for room and board (in inflation-adjusted 2014 dollars). By 2014, these average charges more than doubled to \$9,798. Likewise, living costs at private four-year colleges doubled from \$5,410 to \$10,894.

Most community colleges do not offer on-campus housing, but the small number that do also reported increases in average room and board charges, from \$4,439 in 1980 to \$6,400 in 2014, an increase of \$1,961 or 44 percent.

**FIGURE 1**  
**Average Room and Board, 1964 - 2014**



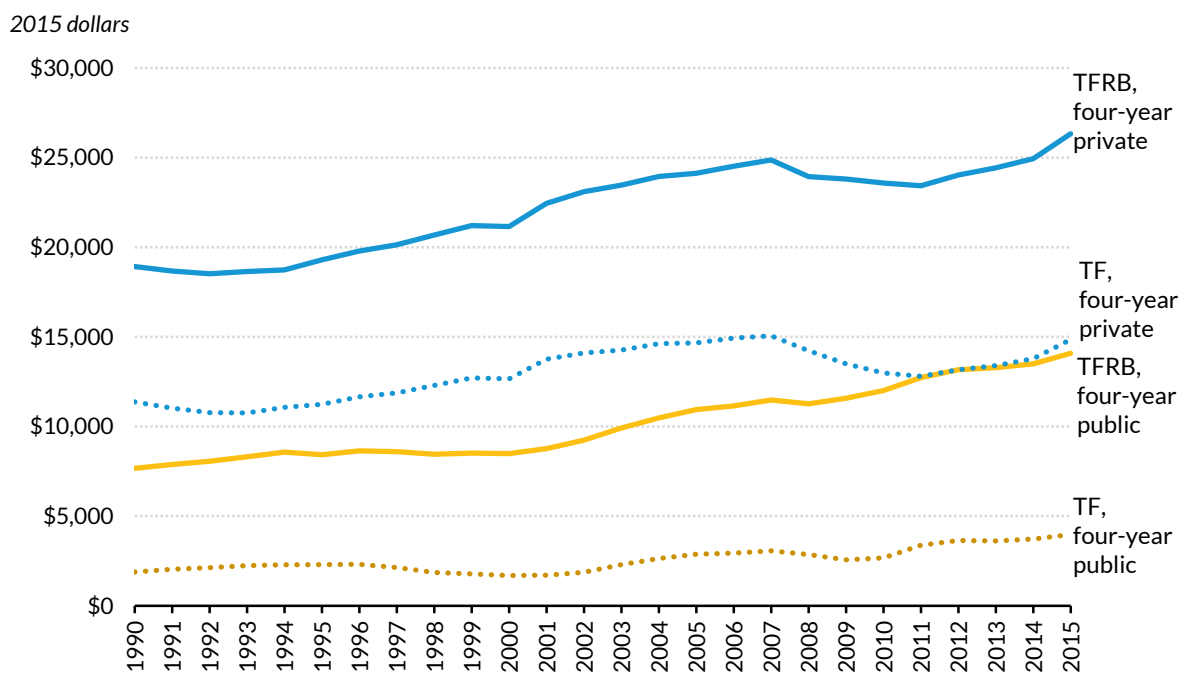
Source: National Center for Education Statistics, *Digest of Education Statistics*, Washington, DC: US Department of Education, 2014.

# Living Costs Contribute to Declining College Affordability

The increases in tuition and fees in recent decades are well known, but living costs, or room and board, are also a major part of the college affordability equation. A portion of the rise in tuition and fees has been offset by need- and merit-based aid. The inflation-adjusted net price students pay—tuition and fees minus grants and scholarships—has increased only \$2,085 at four-year public colleges since 1990 (figure 2). But include room and board with this net price, and the increase is three times as much (\$6,414) over this period. Data from four-year private, nonprofit colleges are similar. Net tuition and fees increased \$3,481 since 1990, but including room and board pushes the increase to \$7,411.

Though grant aid can generally be applied to any college-related expenses, not just tuition, rising room and board charges have significant implications for college affordability. If living costs had increased at only the rate of inflation since 1990, four years of college would cost \$17,316 less at public colleges and \$15,720 less at private colleges than it does today.

**FIGURE 2**  
Average Net Price with and without Living Costs, 1990–2015



Source: Ma et al., 2015.

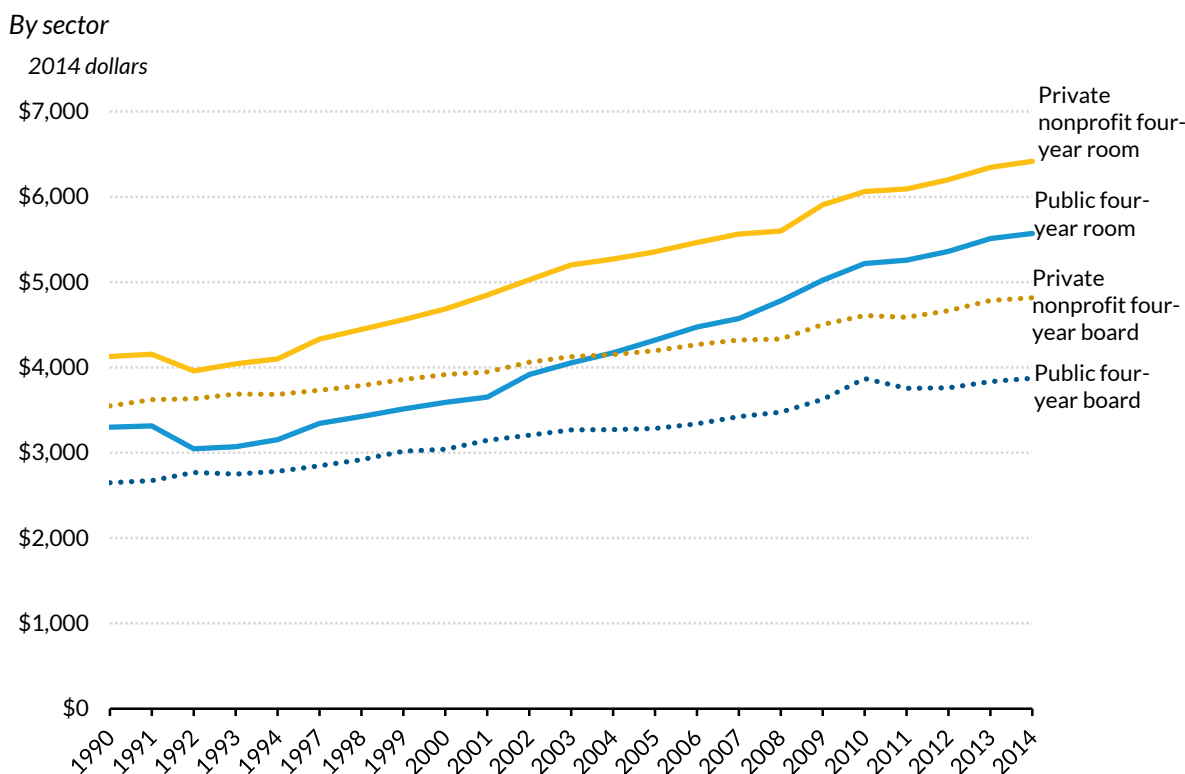
Notes: TF = tuition and fees; TFRB = tuition and fees and room and board.

# Room Charges Have Increased More than Board Charges

Room and board charges are often reported together, but splitting them up reveals that residential colleges have increased housing charges faster than meal charges. Since 1990, inflation-adjusted room charges at four-year colleges have increased about \$2,300, while board charges increased only about \$1,250 (figure 3). The absolute increase has been about the same at public and private colleges (the percentage change was larger at public colleges given the lower starting point).

The same pattern holds at the relatively small number of community colleges with on-campus housing (not shown in figure 3): Since 1990, there has been an average increase of \$1,757 in room charges and \$774 in board charges.

**FIGURE 3**  
Average Room and Board Charges over Time, 1990–2014



**Source:** Urban Institute analysis of Integrated Postsecondary Education Data System (IPEDS) data.

**Notes:** In 2014, 73 percent of public four-year, 66 percent of private four-year colleges, and 18 percent of public two-year colleges offered on-campus housing. Our analysis is weighted by dorm capacity.

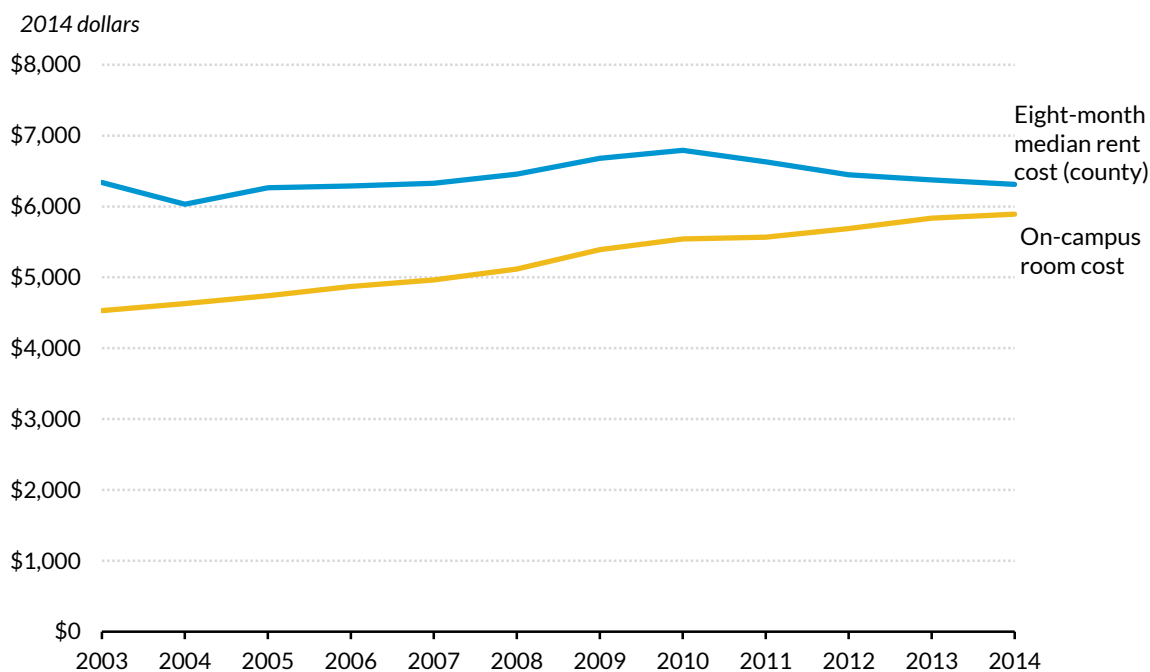
## Room Prices and Market Rents Have Converged in Recent Years

It is possible that the steep increase in room charges is partially related to the pressure of rising rents off-campus. To investigate this hypothesis, we compare an institution's room charges with local rent, which we measure as the median rent in the institution's county for eight months in a one-bedroom apartment.

On average, colleges charge room prices that are lower than our measure of local rent. However, over the past decade, increases in room charges have outpaced growth in rent prices. In 2003, the average college charge for room was 29 percent under the median rent, but by 2014, the average dorm charge was just 7 percent under local median rent (figure 4).

These data suggest that, on average, colleges are subsidizing on-campus housing less than they used to. However, our measure of local rent may overstate the market rate for local housing given that students often share apartments or rooms. Reducing our assumed market rate would imply a lower subsidy over this period, but it would not affect our conclusion that the two trends have converged.

**FIGURE 4**  
**Average Room Charges and Median Rent, 2003–14**  
*Weighted by dorm capacity*



Source: Urban Institute analysis of IPEDS and Housing and Urban Development data.

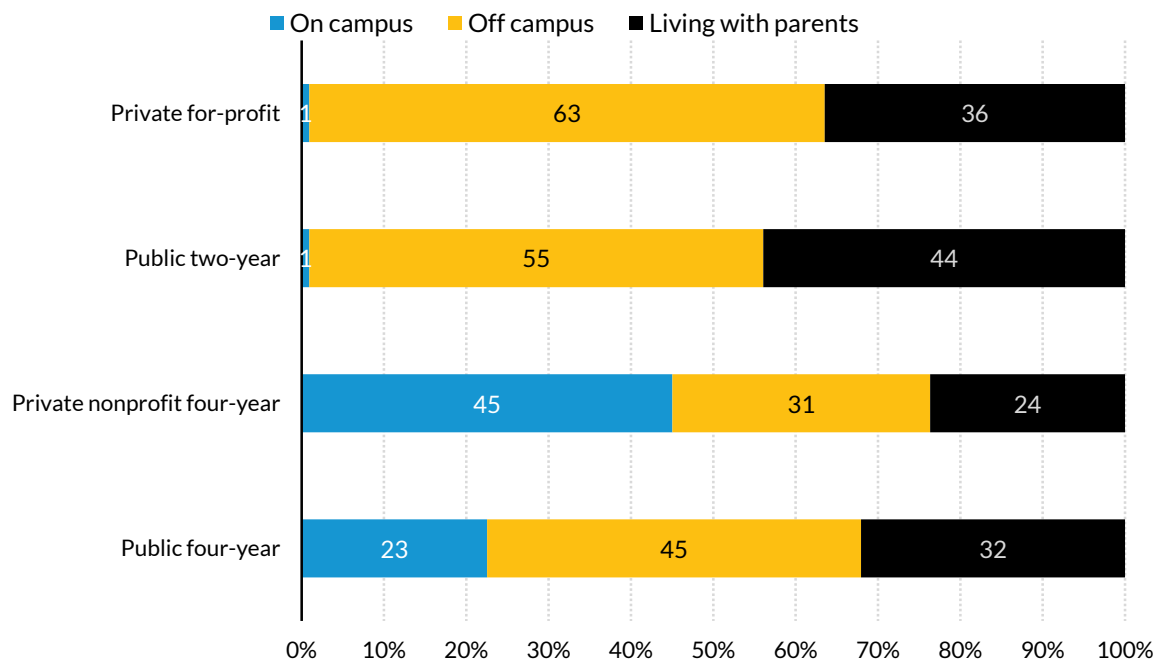
# Data Do Not Capture Living Costs for Students Living Off-Campus

The room and board charge data that we analyze, and on which official government statistics are based, are only reported for campuses that offer on-campus housing. Many students at public and private four-year colleges live on campus. However, very few students at community colleges and for-profit colleges live on campus (figure 5).

At four-year colleges, first-year students stay on campus at a higher rate than all undergraduates, but at two-year schools, first-year students are still very unlikely to live on campus. The availability of on-campus housing over time has remained relatively consistent since the early 1990s.<sup>1</sup>

Students who live off campus make up the majority of college students, but little is known about the living costs they face and whether they have changed over time. These costs include housing and food as well as other expenses, such as transportation, which likely vary significantly across students. Understanding the nontuition costs these students face is a critical subject for future research.

**FIGURE 5**  
**Distribution of Student Living Arrangements by Sector**



Source: Urban Institute analysis of National Postsecondary Student Aid Study, 2011–12.

# Appendix

Most room and board data in this brief draw on publically available data from the United States Department of Education's Integrated Postsecondary Education Data System (IPEDS). The 1992 amendment to the 1965 Higher Education Act requires all Title IV eligible institutions to respond to surveys with institution-level (and in some cases program-level) data on institution characteristics, enrollment, completions, finances, institutional prices, student financial aid, admissions, and academic libraries.

For figures 3 and 4, we created our sample of institutions by limiting the IPEDS universe to degree-granting institutions within the United States, excluding the US territories (FIPS<56). Starting in 2002, IPEDS provides a flag for degree-granting institutions; for earlier years we used the variables that indicated which degrees are offered (level3, 5, 7, 9, 10) and the highest level offered (hloffer3, 5, 7, 9) to define degree-granting institutions. We also limited the sample to Title IV eligible institutions (using FINAID9 1990–1999 and OPEFLAG 2000–2014).

We assigned institutions to sectors based on the institution control (CONTROL, which determines if an institution is public, private nonprofit, or for-profit) and institutional category (INSTCAT). IPEDS assigns institutions categories based on completions, degree-granting status, and highest levels offered starting in 2004. To obtain an institutional category measure for all years in our sample, we generated a new INSTCAT variable based on the IPEDS definition.

In addition to the variables used to define our sample, the variables used in this report are typical room charge (ROOMAMT) and typical board charge (BOARDAMT).

## Notes

1. Authors' analysis of IPEDS data.

## References

Ma, Jennifer, Sandy Baum, Matea Pender, and D'Wayne Bell. 2015. *Trends in College Pricing 2015*. New York: College Board.

## About the Authors



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