Price Point Analysis Validation—[Insert program]

Introduction:
This document details the assumptions and approach for gathering competitor pricing information.

Purpose:
The purpose of this document is to:

1. Validate list of assumptions with [insert program] leadership
2. Validate price point analysis approach with [insert program] leadership
3. [add purposes as needed]

Colleges and universities differ in whether or not they charge the same amount of tuition and fees for online programs as they do for on-campus programs. This document is intended to create a common language by which both online and on-campus costs can be compared to one another.

If analyzing on-campus programs only, an option market reviewers should consider is to use CollegeNavigator’s pricing information. Before doing so, consult with the University Institutional Research and Reporting (http://www.iu.edu/~uirr/) team to determine if this is a suitable approach.

Metrics:
The market offers two strong metrics for comparing costs that are insightful and relatively attainable, which will act as the common language for comparing competitor costs:

1. Per credit cost
2. Total cost to completion

Assumptions:
Institutions have varying structures for charging programmatic costs and fees. In order to assess the market from a price tag perspective, sound assumptions are necessary for comparison purposes. The following assumptions are being used in the price point analysis of proposed IU online programs:

- Annual tuition rates (e.g., $20,000/year):
  o Undergraduate degrees: annual rate should be divided by 30 credits
  o Graduate degrees: determined on case-by-case basis
    ▪ Guidance:
      - Market reviewers should collect and translate part-time or full-time pricing based on the program being reviewed (e.g., part-time 36 credit MSEd in Educational Leadership)
      - An assumption may be needed to establish a ‘normal’ number of credits taken by the targeted student population (e.g., part-time student will take 6 credits every semester including summer until the minimum required 36 credit have been completed, full-time student will take 12 credits during the fall and spring semesters until the minimum required 48 credits have been completed)

- Flat semester tuition rates (e.g., $10,000/semester):
  o Undergraduate degrees: semester rate should be divided by 15 credits
  o Graduate degrees: determined on case-by-case basis
    ▪ Guidance:
Market reviewers should collect and translate part-time or full-time pricing based on the program being reviewed (e.g., part-time 36 credit MSEd in Educational Leadership).

An assumption may be needed to establish a ‘normal’ number of credits taken by the targeted student population (e.g., part-time student will take 6 credits every semester including summer until the minimum required 36 credit have been completed, full-time student will take 12 credits during the fall and spring semesters until the minimum required 48 credits have been completed).

Fees can be charged by credit, course, semester, program, and delivery format:
  o Fees will be added to the total program cost for comparison purposes
  o Which fees will be included?
    ▪ Mandatory fees for program completion (e.g., technology fees, library fees) will be included in the cost analysis
    ▪ Non-mandatory fees (e.g., room and board expenses) will not be included in the analysis

Approach:
The price point analysis will compare the two metrics based on the number of required credit hours and the cost per credit hour. These two elements will be multiplied together for a total program completion cost.

Data are gathered in two ways:
  1. Directly pulled from institution websites (e.g., Bursar’s Office)
  2. Directly contacting institutional representatives and asking for cost information

The price point analysis will identify in-state and out-of-state price point distributions for public institutions.

What will the output look like?
The anticipated output of the price point analysis will include items such as the following:
  • A comprehensive list of the per credit and program completion costs by competing programs in an appendix or in the body of the report
  • Graphical depictions showing the distribution (e.g., low, medium, high) of per credit and program completion costs
  • Key findings

Questions? Contact the OOE (iuonline@indiana.edu)