

1

The Sticker Price Lie

L4.7.1 · STICKER VS NET

I CAN

explain why the school with the higher published price can cost a family less

SCHOOL A PUBLISHED	SCHOOL B PUBLISHED	WHICH IS CHEAPER?
\$62,000/yr	\$28,000/yr	Not yet knowable

Before you read further, vote. Circle the school you think a family actually pays less to attend, then write one sentence saying why.

HOLD THAT VOTE

By the end of this unit some of you will change your answer — because one of these numbers is a starting price, not a real one. Write down now what would have to be true for School A to end up cheaper.

2

Sticker, Gift, Net

L4.7.2 · THE ONLY FORMULA YOU NEED

I CAN

calculate net price from cost of attendance and gift aid

Cost of Attendance is the **full** yearly price: tuition, fees, housing, food, books, transport and personal costs. Gift aid is money you never repay. Fill in the formula, then use it.

Cost of Attendance

minus Gift aid

equals Net price

SCHOOL	COST OF ATTENDANCE	GIFT AID	NET PRICE	CHEAPER?
School A	\$62,000	\$48,500		
School B	\$28,000	\$6,000		

Now answer the question from Activity 1 properly. Which school costs the family less, and by how much?

Answers and talking points

What a good answer looks like, and one question to ask when the pencils go down.

School	Cost of attendance	Gift aid	Net price	Cheaper?
School A	\$62,000	\$48,500	\$13,500	Yes
School B	\$28,000	\$6,000	\$22,000	No

9–12 The answer, and why it is worth the whole page

School A costs the family \$8,500 a year less — about **\$34,000 less over four years** — despite a published price **\$34,000 a year higher**. The first page asks students to vote on sticker price alone, and most pick School B.

Nothing on that first page is enough to answer the question, which is exactly what it is designed to show.

Ask: “What would have had to change for School B to win?” More gift aid, not a lower sticker price. The published number was never the one that mattered.

9–12 The two words that do the work

Cost of attendance is the *full* yearly price — tuition, fees, housing, food, books, transport and personal costs — not just tuition. **Gift aid** is money that is never repaid: grants and scholarships, never loans. A student who subtracts loans from the cost has calculated nothing, because borrowed money is still money the family owes.

Ask: “Is a loan gift aid?” No. It is the single most common and most expensive mistake on an aid letter.

Want the rest of the unit?

This page is one activity, unchanged, from **Unit 4.7 — Paying for College or Trade School**, a Financial Foundations™ unit of 10 to 12 lessons with teacher scripts, family letters and a unit checkpoint. For a free five-day money game your students can play in a browser, try **The \$100 Week™**. Everything is at wealthwisekids.org.