

The Power to Choose - Is college the right choice for you?

Have you already decided that you are definitely going to college? Or are you just as certain that you want to leap directly into the world of work? Perhaps you have some doubts about which path is right for you. Whatever your situation, know that you have the power to choose.

As you have read in this chapter, people make decisions based on expected costs and benefits. You can use a table to help you analyze the costs and benefits of going to college versus entering the workforce. But first, read the article by Ryan Allis, a young man who grew up believing that he would go to college. While in high school, Allis applied to several colleges and got an acceptance—and a big scholarship offer—from the University of North Carolina (UNC). He then began to have doubts about his decision.

Should I Go to College?

by Ryan Allis

You might ask why I was even considering the possibility of not going to college. I was a good student and had a chance to go to a great university on a near-full ride. Here is where my story really begins.

You see, since August of 2001 I had been working with a guy who had developed a product that was effective in treating arthritis in humans and pets. He had heard that I owned a website development business by reading an article on me in the local newspaper and asked me to come in and meet with him. I set up a website about his product and got a shopping cart and merchant account for the site so we could take orders online . . .

After I got the initial site up I began to market it . . . We also started a monthly newsletter and sweepstakes and began to write a lot of informational content for the website. We set up two informational websites, one on arthritis and the other on arthritis in pets, and drove each to the top of the search engines for our targeted keywords.

Things progressed slowly the first few months but soon picked up. In January we did \$31,130 and in April alone we did \$87,578. These sales were on one product with just the owner, myself, and one person to ship out the product. Our net profit was 51% and we were growing at 20% per month. In short, we were doing very well.

So it was now April and I saw that the company was taking off . . . I was seventeen and had the chance to make a couple hundred thousand dollars in salary and commission if I would just defer college for a year. Now you can see why I was seriously considering not going to college right away after knowing my whole life that I would . . .

My Decision

However, I wanted something more than this and knew there was much more to life than money . . . In the end, I chose to accept the offer and on August 14, 2002, my eighteenth birthday, I drove up to Chapel Hill, North Carolina, with my dad and moved into the Ehringhaus dorm.

So why did I choose to go to UNC? If I had the chance to earn more at age 18 than the average person with an MBA [Master's in Business Administration], why did I forgo this opportunity to go off to college? . . .

New Knowledge, New People and New Surroundings

I know now that I made the right decision. Although I still become frustrated at not having enough time to work on my businesses or read what I want to read, I know I have done what has been best for me. College really makes one go through many formative and developmental changes. I have learned how to take care of myself. I have learned that I must put the twisty-tie back on the bread or else it will mold. I have learned that I should not put whites in with my colors in a hot wash. I have learned who I am.

Just as important, I have developed a network of contacts and built strong relationships that will be a great asset to me in the future. I have found other students like me and have made some friends that may turn out to be my business partners in years to come . . .

Why I Am in College

In sum, I feel that these first three months of college have been a great experience for me. I have learned how to take care of myself and how to live away from my parents. I have met some great people and built some key relationships. I learned how to use the resources of UNC and will be studying what I want to study next semester yet still working towards my degree . . .

College Is Not for Everyone

In case there is anyone reading this that is considering starting their own company and not going to college, let me say this. Be very careful. For most people I would say that both a college degree and the college experience would be extremely beneficial . . . I may have been part of a select group that already had such specialized skills and such knowledge about the way the world worked that I might have been fine without going to college. If you feel you are in this group by all means go for it.

Ryan P. Allis is the author of Zero to One Million: How I Built a Company to \$1 Million in Sales . . . and How You Can, Too.

Analyzing the Costs and Benefits of Going to College

You probably know many of the benefits of leaving home to become a full-time college student. But have you analyzed the costs as well?

- Assign each cost and benefit a score of 1 (not very important) to 5 (extremely important).
- Add your scores in both columns. What conclusions can you draw by comparing the results?

Costs and Benefits of Going to College			
Costs	Score	Benefits	Score
Cost of tuition, books, room and board, and travel to school		Greater lifetime earnings with a college degree	
Earnings lost by not joining the workforce full-time after high school		Better job opportunities once college is completed	
Lost opportunity for on-the-job training and the development of workplace skills		More opportunity to develop thinking, writing, and professional skills	
Less time to pursue nonacademic interests and hobbies		More time to pursue academic interests	
Less opportunity to spend time with old friends from high school		More opportunity to make new friends from different places	
Less time for spending with family at home		More opportunity to make family proud	

Planning the Prom

Your class has been engaged in various fund-raising projects during the past several years, and you now have a total of \$9,635 to spend on a big bash - your last school dance. You may not spend more than this amount on the dance, but you do not have to spend all of it on the dance. Any money "left over" can be used for a class project, designed to help your school or community.

You have decided that there are three categories of expenditures for the dance. 1) hiring a band, 2) renting a place to hold the dance, and 3) providing refreshments and decorations. A committee has provided the following information:

Bands Available:	
Cost	Name
\$1,000	Plain, Loud, and Cheap, a local rock and roll band.
\$2,500	Busting Gourds, rock with an English twist
\$4,000	Granite - good hard rock
\$5,000	The National Debt - "getting bigger every day" - a popular new group.
\$6,500	Philadelphia Transit Authority (the PTA) - nationally known, 2 gold albums.
\$8,000	The Rolling Rocks - well known touring group from England

Places Available:	
Cost	Name
\$200	School Gym
\$600	American Legion Hall
\$1,500	The Inn on the Hill
\$2,000	The Two Seasons Hotel
\$3,000	The Valley Country Club

Refreshments and Decorations:	
Cost	Name
\$500	Home Economics classes fix sandwiches and make decorations
\$1,000	Catered - snacks and decorations
\$3,000	Catered - fancy snacks and fancy decorations
\$5,000	Package deal -snacks and decorations at dance; and an after-dance meal at a restaurant.

Your task now is to decide, with the other members of your class, which band to hire, where to hold the dance, and what type of refreshments and decorations to provide. Your class must select one item from each expenditure category.

Discussion Question

In what ways is this problem similar to economizing problems faced by your family? In what ways is it different?