



**The \$20,000 (probably more) dollar question:
Is post-secondary worth it?**



You (or you and a partner) get to pick a career that requires post-secondary education and do a **cost benefit analysis**. Some estimation of costs is allowed, but they still need to be **reasonable**. An economic cost benefit analysis deals with monetary value, **if you can't put a dollar value on it; it isn't a cost or benefit**. **Once your career path/educational institution/faculty have been chosen come tell your teacher to avoid doubles. Use sound judgment and only include costs that would be different if you entered post-secondary (ie. If you need to move out for school etc.). You do not have to include negligible cost differences (eating in Vancouver vs. eating in Toronto etc.).** Each group will have a short informal sharing (1-2 minute long) of questions 1-4 on the due date. Ideally, the answers to the following questions will be addressed briefly in a write-up and your calculations will be in Excel:

1. What post-secondary institution would you go to and what degree/diploma would you want to graduate with? What year will you finish and be able to work full time?
2. What are the total yearly costs in dollars of the degree/diploma and getting ready for full time work? (Estimate tuition, books, dorm costs if needed, certification etc.)
3. What is your projected yearly salary for your intended discipline for the fifteen years after you start working? Look into career development and wage increases. When will you recover your education costs? (Excel hint: use rows as costs/income and columns as years)
4. Assume your friend skips post-secondary and make the following:
Year 1: \$22,500, Year 2 and 3: \$28,000, Year 4-7: \$36,000, Year 8 onwards: Starting at \$40,000 and going up by 2% each year. How long would it take for your chosen career to make more money **in total** than the person in this scenario? Will you even make more than the person in this scenario? (ie. When is your economic profit zero?)
5. What are two or three limitations and/or unconsidered factors in this analysis?