

UNIVERSITY OF THE PEOPLE

BUS 1103-01 Microeconomics- AY2024-T1

Learning Journal Unit 1

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Introduction:

Life is an intricate journey filled with a multitude of decisions, each carrying its unique blend of possibilities and compromises. During my final year of high school, I found myself at a significant crossroads that epitomized the concept of opportunity cost. The central dilemma revolved around the critical choice of pursuing a college education or immediately entering the workforce. In this narrative, I will take you through the intricate web of influences that led to my decision, shed light on the appealing alternative I considered, and explore the pivotal role that scarcity played in shaping my ultimate path.

The Decision:

Faced with the choice between college and immediate employment after high school, I pondered pursuing a Bachelor's in Commerce, laden with financial strain, or accepting a junior Accountant role offering financial stability and practical experience. The allure of a well-rounded education and ample career opportunities contrasted with the hefty 200,000 Swedish Kroner expense over four years. Alternatively, the job presented immediate financial stability with a 35,000 Swedish Kroner annual salary, appealing for a newcomer to the job market. This path also offered hands-on experience while academic peers continued their studies, adding depth to the decision-making process during the impending high school graduation.

Opportunity Cost Analysis:

Understanding opportunity cost is essentially recognizing the price one pays when selecting the next-best alternative. Opting for college would require giving up immediate financial security, work experience, and the chance to expedite the reduction of potential student loan debt. Conversely, choosing employment would entail forfeiting the college experience, potential networking opportunities, and the anticipated long-term financial benefits associated with a Bachelor's degree.

Another Alternative:

However, it's essential to acknowledge that the array of choices extended beyond the binary selection of college or work. An intermediary path emerged - enrolling in a community college or vocational school. This would have allowed me to acquire specialized skills without the time and financial commitments typically associated with a traditional four-year university. Nevertheless, even this alternative wasn't devoid of opportunity costs, including the time required to obtain the degree and the immediate income I would forgo by not pursuing full-time employment.

Scarcity's Influence:

The concept of scarcity, representing the persistent reality of limited resources, cast a significant shadow over my decision-making process. The scarcity of financial resources, exemplified by the substantial cost of university tuition, loomed prominently. Simultaneously, I grappled with the scarcity of time and personal energy. Choosing full-time employment would address immediate financial needs but would inevitably introduce a corresponding scarcity of temporal resources for personal growth and skill development, considering the demanding hours often associated with full-time work.

Conclusion:

In the end, I chose to embrace academia, notwithstanding the substantial financial burden it entailed. My decision was rooted in the belief in the broader horizon of opportunities that a degree would unlock, the invaluable nature of a comprehensive education, and my unwavering conviction that the accumulation of knowledge would ultimately surpass the allure of immediate financial gains. This journey through the intricate terrain of opportunity cost underscores the complexity of life's decision-making process, shaped by individual aspirations, values, and the inescapable reality of finite resources. It serves as a poignant

reminder that choices are not solely about gains but also the alternatives we leave behind in the intricate journey of life.

References:

Greenlaw, S. A. & Shapiro, D. (2018). *Principles of microeconomics*, 2e. Open Stax Rice University. <https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/Microeconomics2e-OP.pdf>

Word count: 546