

A photograph of a young woman with dark hair and round glasses, wearing a dark grey t-shirt. She is looking off to the side with a thoughtful expression. In the foreground, a portion of a laptop is visible. The background is blurred, showing other people in what appears to be a classroom or lecture hall setting.

**Codeup**  
2020 White Paper

# **Education Finance 101:**

## Think of your education as an investment



# Education is An Investment

If you're considering what kind of education to pursue, keep in mind that education is an investment. As with any investment, the pros, cons, costs, and benefits need to be considered. We set budgets on our weekly spending, but often neglect to assess every option on our most important life decisions, such as education. Instead, we default to the popular belief that a degree is inherently worth-while, worth the debt and worth the extended time. But is it? In a time when degrees are no longer the only acceptable career path, let's consider your options more carefully by assessing your return on investment (ROI).

# How to measure ROI on your education \_

Measuring the ROI on education is complicated because it involves a wide range of costs and returns. Not only should you think about numbers like tuition, graduation rates, and full-time employment (FTE) outcomes, but also things like student experience, community, relationship building, networking, and personal development. Don't worry - we'll help you navigate through this fog!

## Step 1.

Compare  
the  
numbers

## Step 2.

Consider  
abstract  
factors

## Step 3.

Put  
it all  
together



# Step 1: Compare the Numbers

Below, check out a breakdown of Codeup compared against a number of other educational pathways across a few key metrics.

| Institution                | Tuition/fees                          | On-time completion rate | FTE w/in 6 months   | Median starting salary       | Time to complete |
|----------------------------|---------------------------------------|-------------------------|---------------------|------------------------------|------------------|
| Codeup                     | \$27,500                              | WD: 84%<br>DS: 85%      | WD: 100%<br>DS: 88% | WD: \$45,505<br>DS: \$67,500 | 5 months         |
| Public 2-year Associate's  | \$7,460 (\$3,730/year)                | 62%                     | 44.2%               | \$41,799                     | 24 months        |
| Public in state Bachelor's | \$41,760 (\$10,440/year)              | 38%                     | 51%                 | \$49,725                     | 48 months        |
| Private Bachelor's         | \$147,520 (\$36,880/year)             | 55%                     | 59.1%               |                              |                  |
| Private Master's           | \$62,280 (\$31,140/year)              | 61%                     | 72.5%               | \$59,866                     | 18-24 months     |
| Private Doctoral           | \$181,520 - \$272,280 (\$45,380/year) | 76%                     | 81.7%               | \$72,160                     | 48-72 months     |

## What does the chart show?



**Tuition & fees:** The most expensive programs are private Doctorals, and the cheapest are public Associate's.



**Completion rate:** At a blended average of 84.5%, Codeup far surpasses all other institutions in on-track completion rates. The closest rate is for a Doctoral at 76%, but the bottom end drops all the way to 38%.



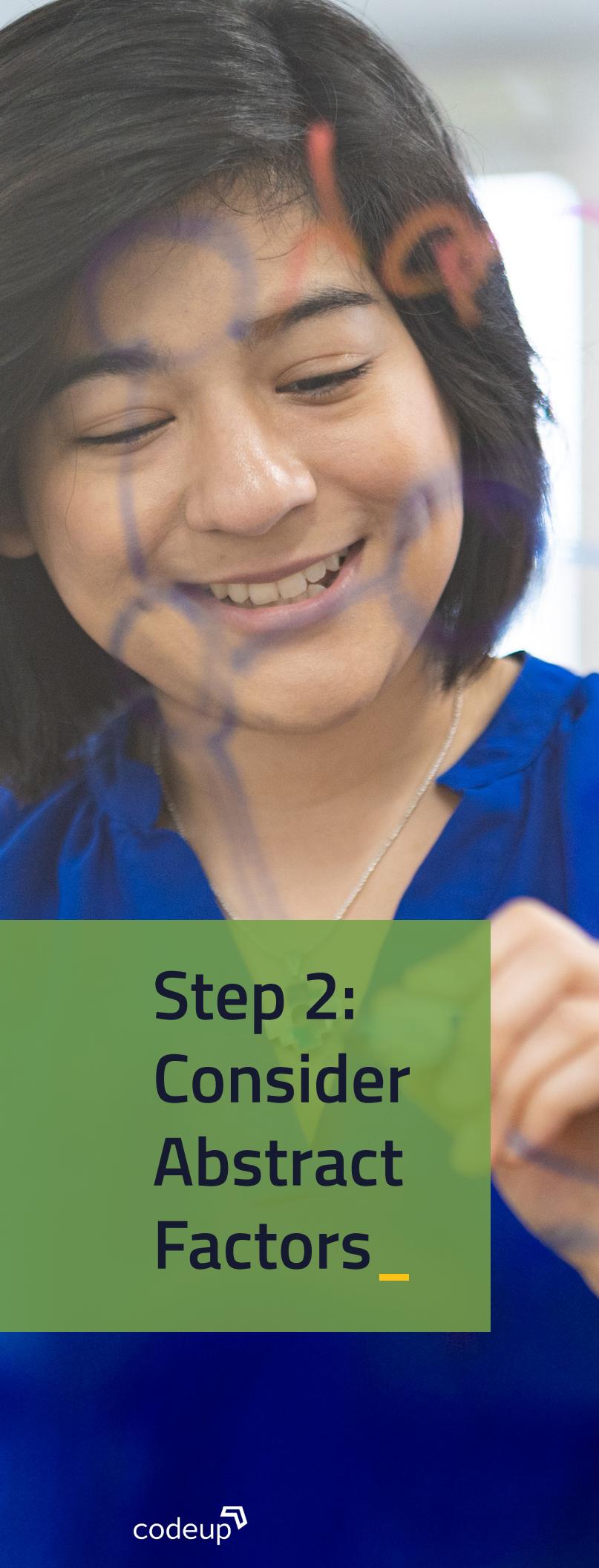
**Full-time employment w/in 6 months:** At employment rates of 100% and 88%, Codeup far surpasses all other models. Doctoral degrees follow in second at 81.7%, while other models range from 44% - 73%.



**Median starting salary:** The median starting salary is the best representative of the common outcome for graduates. The highest median starting salaries come from Doctoral programs, but Codeup's Data Science program salary comes in second by only a few thousand dollars.



**Time to complete:** At 5 months, Codeup's programs are over 1,300% shorter than the range of other models. The next fastest option is a Master's or Associate's at 18-24 months.



## Step 2: Consider Abstract Factors

As we've said, numbers aren't the only considerations for calculating your ROI. Here are some questions to ask yourself to kickstart your thinking:

### 01.

#### **What is my desired outcome?**

Defining your top priority will help you select the best pathway to get you there. This might be having a marketable skill set, quickly entering a career, or preparing yourself for further education.

### 02.

#### **What is the total cost of attendance?**

On top of tuition/fees, consider life expenses like housing and books. The longer you're in school, the more you spend on those life expenses.

### 03.

#### **What are my employment opportunities?**

Consider hidden factors like supply and demand, work schedule, earning potential, industry growth, etc.

## 04.

### **What are the admissions stats?**

A thoughtful, challenging, and personalized admissions process indicates that the institution values a high caliber of student. A high enrollment rate shows that other students value the program.

## 05.

### **What kind of experience do I want?** How important are community, relationships, travel, and personal growth? Where can you find what you're looking for?

## 06.

### **How many instructional class hours am I receiving?**

This is a critical metric in measuring your ROI and one of the simplest calculations to indicate the cost of the program. Dividing the tuition by the total hours gives you an hourly rate for classroom instruction.

## 07.

### **What kind of support will I have?**

Consider class size, student:teacher ratio, faculty investment, and other resources that you can leverage.

## 08.

Lastly, but often overlooked: **Do the institution's interests align with my own?** You may have heard the term "diploma mill" before. These are bad actors, institutions that prioritize providing you with a piece of paper over a relevant education. Put yourself across the table and think about what they have in the game.

**Note:** Pay attention to the data behind the numbers, as it can deceive you. Mark Twain famously said: "There are three kinds of lies: lies, damned lies, and statistics." When looking at numbers, make sure to look under the hood. For example, median is often a better indicator of salary than average, as it represents the salary range you're most likely to enter into. Take a look at our references to learn more about our research.

# Step 3: Put It All Together

We know that was a lot of information! It can be hard to take abstract questions and apply them to real world situations, so we'll lead you through an example. You want to study web development, but are unsure about which path to take. Right now, you're considering a private Bachelor's Degree. **Start with some high-level comparisons:**

1. Make a simple **pro/con list**, which will form the basis of your analysis.
2. Complete a **cost-benefit analysis** by listing costs and benefits side by side. This will help you decide which option limits costs while maximizing benefits.
3. Consider your **opportunity cost**, which is what you could have gained had you chosen an alternative option. To do this, write out all the 'other stuff' that goes along with education. What earnings would you make? What work experience would you accumulate? These costs are often hidden from initial calculations.

Here, we'll compare the private Bachelor's to Codeup:

|   |  |
|---|--|
| <b>Cons:</b> expensive; takes 4 years   | <b>Pros:</b> Bachelor's Degree, college experience, schedule flexibility               |
| <b>Costs:</b> tuition & fees, room & board, time  | <b>Benefits:</b> community, personal development, life-time credential, alumni network |
| <b>Opportunity cost of not attending Codeup:</b> <ul style="list-style-type: none"><li>• Unearned wages while in school (\$45,505 salary * 3 years= \$136,515 in missed income opportunity)</li><li>• Missed work experience while in school (4 years - 5 months of Codeup - 6 months of job search= approx. 3 years of missed work experience)</li></ul> |  |

If we put that together, your investment yields the following return against the following alternative:

**4 years school + \$147,520 in tuition** = Bachelor's Degree + college experience + psychosocial growth + a network

**VS.**

**5 months school + 6 month job search + \$27,500 in tuition** = Codeup Certificate + \$136,515 in earnings + 3 years work experience + a network

It's important to realize that these calculations will differ per person, depending on how much value you place on each piece. We encourage you to make your own lists, comparing Codeup to the option you are most considering.

## Conclusion

We know that was a lot of information and ultimately you know your own priorities and options best. But if we can recommend anything, consider these four insights:

1. Your education is an investment, and you should consider your ROI carefully.
2. Critically evaluate as many variables and data as you can in your search.
3. Costs and benefits are much more complex than tuition and salary.
4. Remember to calculate the hidden opportunity cost of the alternatives you forego.

**Our mission is to empower life change. We hope this information was helpful. If you'd like to talk it through or have any follow-up questions, reach out to us at [info@codeup.com](mailto:info@codeup.com)!**



# References

1. CIRR's "[Graduate Outcomes](#)" publications for Codeup completion rates, employment rates, and median salary, 2019.
2. The College Board's "[Trends in College Pricing 2019](#)" for tuition & fees (based on "charges to full-time first-year undergraduate students over the course of a nine-month academic year of 30 semesters hours") and undergraduate completion rates, 2019-2020.
3. The Urban Institute's "[Who Goes to Graduate School and Who Succeeds?](#)" for graduate completion rates, 2003.
4. The NACE's "First Destination for the College Class of 2018: Findings and Analysis" for employment rate and median salary, 2018-2019.
5. US Department of Education's "[Beginning Postsecondary Students Longitudinal Study 2004/2009](#)" for Associate' Degree completion rates, 2009.

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| Public 4-year (in state) Bachelor's                       | \$41,760<br>(\$10,440/year)  | 38%                     | 51%                 | \$49,725                           | 48 months        |
| Public 4-year (out of state) Bachelor's                   | \$107,280<br>(\$26,820/year) |                         |                     |                                    |                  |
| Private Bachelor's  | \$147,520<br>(\$36,880/year) | 55%                     | 59.1%               |                                    |                  |
| Public Master's   | \$17,980<br>(\$8,990/year)   | 61%                     | 65.9%               | \$59,866                           | 18-24 months     |
| Private Master's  | \$62,280<br>(\$31,140/year)  |                         | 72.5%               |                                    |                  |
| Public Doctoral<br>\$45,520 - \$68,280<br>(\$11,380/year) |                              | 76%                     | 81.7%               | \$72,160                           | 48-72 months     |