

College vs. Alternative Paths Worksheet

Calculate and compare full economic costs (explicit + implicit) of different post-high school paths

Scenario: Your friend Alex is deciding between three paths after high school graduation

Help Alex analyze the opportunity costs of each option by calculating explicit costs, implicit costs (opportunity costs), and projecting 10-year outcomes.

Path A: 4-Year University

Path B: Trade School

Path C: Immediate Workforce

10-Year Comparison

Path A: 4-Year Public University

Annual Tuition

\$ 10000

Room & Board/Year

\$ 12000

Books & Supplies/Year

\$1,200

Part-Time Income/Year

\$12,000

Starting Salary After Graduation

\$55,000/year

Cost Category	Year 1	Year 2	Year 3	Year 4	4-Year Total
Tuition	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Room & Board	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Books/Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$4,800
Explicit Costs Subtotal	\$23,200	\$23,200	\$23,200	\$23,200	\$92,800
Opportunity Cost (Forgone Income)					
Could have earned full-time	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
Minus part-time earnings	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$48,000
Net Opportunity Cost	\$18,000	\$18,000	\$18,000	\$18,000	\$72,000
TOTAL ECONOMIC COST	\$41,200	\$41,200	\$41,200	\$41,200	\$164,800

Path B: Trade School + Apprenticeship

Trade School Tuition

\$8,000/year (2 years)

Part-Time During School

\$20,000/year

Apprenticeship Pay

\$35,000/year

Expected Salary (Year 5+)

\$50,000/year

Cost Category	Year 1-2 (School)	Year 3-4 (Apprenticeship)	4-Year Total
Tuition	\$8,000/year x 2	\$0	\$16,000
Part-time income during school	-\$20,000/year x 2	N/A	-\$40,000
Apprenticeship income	N/A	-\$35,000/year x 2	-\$70,000
Net Cost/Income	-\$24,000	-\$70,000	-\$94,000
Opportunity Cost (vs. Full-time Work)			
Could have earned	\$30,000/year x 2	\$30,000/year x 2	\$120,000
Minus actual earnings	-\$20,000/year x 2	-\$35,000/year x 2	-\$110,000
Net Opportunity Cost	\$20,000	-\$10,000	\$10,000
TOTAL ECONOMIC COST	-\$4,000	-\$80,000	-\$84,000

Note on Negative Cost

A negative "cost" means this path actually generates net income during the 4-year period while still building skills and credentials.

Path C: Immediately Enter Workforce

Starting Salary

\$30,000/year

Salary After 4 Years

\$38,000/year

Explicit Costs

\$0

Opportunity Cost

\$0 (baseline)

Cost Category	4-Year Total
Explicit Costs	\$0
Opportunity Cost	\$0 (this is the baseline for comparison)
Income Earned (Years 1-4)	\$128,000

Calculation: $\$30,000 \times 3 \text{ years} + \$38,000 \times 1 \text{ year} = \$128,000$

10-Year Outlook Comparison

Path	Years 1-4 Net	Years 5-10 Earnings	10-Year Net Total
A: University	-\$116,800	\$55,000 x 6 = \$330,000	\$213,200
B: Trade School	\$84,000	\$50,000 x 6 = \$300,000	\$384,000
C: Workforce	\$128,000	\$38,000 x 6 = \$228,000	\$356,000

Key Insight

Over 10 years, Path B (Trade School) shows the highest total earnings in this scenario. However, Path A (University) may have better long-term growth potential beyond year 10, with higher salary ceilings and more career flexibility. The "best" choice depends on individual goals, interests, and circumstances.

Discussion Questions

1. Which path has the lowest opportunity cost in the first 4 years? Why?

Your analysis...

2. Which path results in the highest total wealth after 10 years?

Your analysis...

3. What factors beyond money should Alex consider (job satisfaction, physical demands, flexibility, growth potential)?

Your analysis...

4. How would your analysis change if university tuition doubled? If trade school apprenticeship paid \$45,000/year?

Your analysis...

5. How does this analysis apply to YOUR post-high school decision?

Your personal reflection...