

I've been getting a lot of questions from High School kids asking whether or not they should go to college. The answer is yes.

College is where you find out about yourself. It's where you learn how to learn. It's where you get exposure to new ideas. For those of us who are into business you learn the languages of business, accounting, finance, marketing and sales in college.

The question is not whether or not you should go to school, the question for the class of 2014 is what is your college plan and what is the likelihood that your college or university you attend will still be in business by the time you want to graduate.

Still in business ? Yep. When I look at the university and college systems around the country I see the newspaper industry.

The newspaper industry was once deemed indestructible. Then this thing called the internet came along and took away their classified business. The problem wasn't really that their classifieds disappeared. It was more that they had accumulated a ton of debt and had over invested in physical plant and assets that could not adapt to the new digital world.

When revenue fell the debt was still there, as were all the big buildings they had purchased, all those presses they had bought and the acquisitions they had made declined in value, but the debt accumulated to pay for them never went away.

They were stuck with no easy way out.

The exact same thing is happening to our 4 year schools. You can't go to a big state university and not see construction. Why ?

Why in the world are schools building new buildings ? What is required in a business school classroom that is any different from the classroom for psychology or sociology or english or any other number of classes ? A new library, seriously ? What is worse is that schools are taking on debt to pay for this new construction.

Think about this from a business perspective. Schools are seeing state and federal funding decline, as it should. Why should taxpayers be paying for another building ?

They are seeing their primary revenue source, tuition, once a number that was never really questioned, becoming a value decision by prospective students. As they should.

Unless your parents are wealthy or you qualify for a full ride or something close, the days of picking a school because that is the school you always wanted to go to are gone.

The class of 2014 and beyond now has to prepare a college value plan. What classes are you going to take online that enables you to get the most credits for the least cost. What classes are you going to take at a local, low-cost school so you can get additional credits at the lowest cost.

Then, with your freshman and sophomore classes out-of-the-way, you can start to figure out which school you would like to transfer to , or two years from now, which online classes you can take that challenge you and prepare you for the areas you want to focus on. If you have the personal discipline you may be able to avoid ever having to step on a campus and graduating with a good degree and miracle of miracles, no debt.

For the smart student who cares about getting their money's worth from college, the days of one school for four years are over. The days of taking on big debt (to the tune of 1 TRILLION DOLLARS as I write this) are gone. Going to a 4 year school is supposed to be the foundation from which you create a future, not the transaction that crushes everything you had hoped to do because you have more debt than you could possibly pay off in 10 years. It makes no sense.

Which in turn means that 4 year schools that refuse to LOWER their tuition are going to see their enrollment numbers decline. It just doesn't make sense to pay top dollar for Introduction to Accounting , psychology 101, etc.

Of course the big schools are going to argue this all day long. They want and need your money. They want to tell you how beautiful their campus is. The social aspects of going away to college. The amazing professors they have. The opportunities they create. The access to alumni and sports. All were great arguments in 2001 when tuitions were still somewhat reasonable. They no longer hold water.

So back to the economics of 4 year schools. Before you go to college, or send your child to a 4 year school you better check their balance sheet. How much debt does the school have ? How many administrators making more than 200k do they have ? How much are they spending on building new buildings. None of which add value to your child's education, but enrollment declines will force schools to increase their tuition and nail you with other costs. They just create a debtor university that risks going out of business.

There will be colleges and universities that fail , declare bankruptcy or have to re-capitalize much like the newspaper industry has and long before the class of 2018 graduates.

The smart high school grad no longer just picks a school, borrows money and wings it. Your future depends on your ability to assemble an educational plan that gets you on your path of knowledge and discovery without putting you at risk of attending a school that is doomed to fail , and/or saddling you with a debt heavy balance sheet that prevents you from taking the chances, searching for the opportunities or just being a fuck up for a while. We each take our own path, but nothing shortcuts the dreams of a 22-year-old more than owing a shitload of money.

Now is the time to figure it out and avoid the mess schools are creating for themselves and for those who take the old school way to college graduation.