

More advice for college freshmen

It won't be long before recent high school graduates start registering for college classes. Many of these students will decide not to take summer school classes in college because their scholarships will not help pay for these classes. For most of these students, their scholarships only apply to classes they take during the traditional Fall and Spring semesters.

If we limit our analysis to just financial concerns, these students are making a mistake by not taking summer school classes. Consider an incoming freshman at UCA. She can take one summer school class before her first Fall semester, three more summer school classes after her freshman year, another three after her sophomore year, and three more after her junior year. Such a schedule will allow her to take a total of ten classes during summer school. Since a student typically takes five classes in both their Fall and Spring semesters, taking ten summer school classes will allow the student to graduate in just three years.

The financial benefit of graduating a year early is huge. The student can start working a year early. Graduates with majors from my department, which includes Finance, Insurance,

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and Economics, often earn \$50,000 a year. Therefore, an incoming Freshman, who plans to major in one of those three disciplines, can expect to start earning \$50,000 one year earlier. Suppose the student had a part time job while in school and earned \$5,000 per year in that job. By graduating early, the student would give up \$5,000 in income from the part time job in order to take the \$50,000 per year job. That results in \$45,000 more income for the student (\$50,000 – \$5,000).

But what about the cost of the summer school? UCA's summer school tuition is \$1,186.23 per class. At this price, without any scholarships, the student would have to pay \$11,862.30 for ten classes. Of course, this assumes that the price of summer school tuition remains the same for the next three years. In reality, summer school tuition will probably increase but not by much, so this year's price of tuition is a reasonable approximation for what the student can expect to pay in future summers. Also keep in mind that UCA has three summer

school sessions, so the student could take just one class in each summer school session, which should allow her to take a class in each session without working less during the summer.

Now consider the benefits and costs together. By taking ten summer school classes and starting on her career a year early, a student gets \$45,000 more in income and pays \$11,862 in summer school tuition. The net gain is \$33,138. Think about this. A student who is on scholarship and who does not pay any tuition during the Spring and Fall semesters, should still pay out-of-pocket for summer school classes because it allows her to start earning a high salary one year earlier.

This advice assumes that a student is only concerned with the financial consequences of taking summer school classes. A student may want to stay in school for four years to get the full college experience. That is fine and there is a lot to be said in favor of that. But financial reasons are not a good reason to avoid summer school, as the \$33,138 gain from graduating in three years illustrates.

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