

Private vs. Public – The ROI of a 4-Year vs. 6-Year Degree

Graduating in four years and getting into the job market immediately has a big impact on the rate of return on the investment (ROI) in education. According to Payscale.com, Woodbury students make on average \$48,000 right out of college, so over a period of six years the cost after financial aid (without taking into account the effect of taxes) is our average discounted tuition of \$27,000 per year multiplied by 4 years (\$108,000), minus \$48,000 in earnings for 2 years (\$96,000) - or about \$12,000 net cost. By comparison, the average time to graduation at a public university is six years (mainly due to overcrowding and the inability to get into required courses), so the net cost at a public university at, say, \$8,000 per year for six years, is \$48,000. Put differently, a student who graduates two years earlier earns about \$96,000, whereas the average student debt upon graduation is about \$37,000.

