

High School is Over: Should You Go to College?

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The popular notion in the US today is that if you are a reasonably-competent, ambitious young person, you'd do yourself a disservice by not going right into college at 17 or 18.

“Going to college will increase your lifetime earnings by \$1M!”

“Sure, there are people who have built successful, lucrative, happy careers without a college degree, but what're the chances that you'll be one of them?”

“You should just get your degree as quickly as possible, the rest of life can wait.”

These examples of (real) advice given by peers, teachers, parents, and guidance counselors are the wrong ways to think about your education. They tend to focus on probabilities and insurances. The *probability* of making more money increases with a degree for the average person. The *probability* of needing a college degree to be successful is higher for the average person. The *probability* of being a lawyer, doctor, or accountant drastically increases with a degree.

But [you aren't a lottery ticket](#). It doesn't make sense to think in terms of probability. Unpredictable factors can always arise that can throw off all of your best predictions, and when that day comes, you'll have to be in the driver's seat to make the decisions concerning how to proceed forward.

Forget Probability, Think About the Downside

A better way to think about education is to think in terms of payoffs and downsides.

What does this mean and why is it more useful than thinking in terms of probabilities?

Thinking in terms of payoffs and downsides means that rather than thinking first and foremost about the probabilities of some outcomes from a given decision (like going to college right out of high school), we should focus instead on making the decision that maximizes the payoff while minimizing the downside.

It's impossible to make a decision with no downside (time is scarce and every decision comes at the cost of alternative decisions), but you should focus on maximizing your upside relative to the minimized downside.

This is a better way of thinking about decisions than focusing on

probabilities because it places you solely in the driver's seat of your decisions. Rather than allowing you to take a passive backseat position to probabilities (e.g., "I want to be an entrepreneur but I am more likely to make money as a doctor, oh well."), this allows you to think of your career and education as things actively in your own control. Probabilities apply to aggregates and not to individuals, anyway. In any given individual case, there are chances that some unpredictable, entirely random event ("Black Swans") could make or break you.

This isn't to say that probabilities don't matter. It simply means that they come second, not first. This allows the individual (you) to craft decisions relative to individual ability. For some people, the crutch of college is going to be needed as a period of "pre-adulthood" in order to mature into the real world after 12 years of K-12 education. For others, it will simply be a waste of time. Thinking about the probability of getting a job or an investment without considering the individual's abilities and competencies is a crude and, ultimately, misleading move and bit of career advice.

Also keep in mind that what I am saying is maximize your payoff *relative* to the minimized downside. Jumping off a cliff may provide a ton of payoff if you survive — fame, glory, exhilaration — but the downside is nearly infinite in death. In this case, the downside outweighs the payoff.

Thinking About Education in These Terms

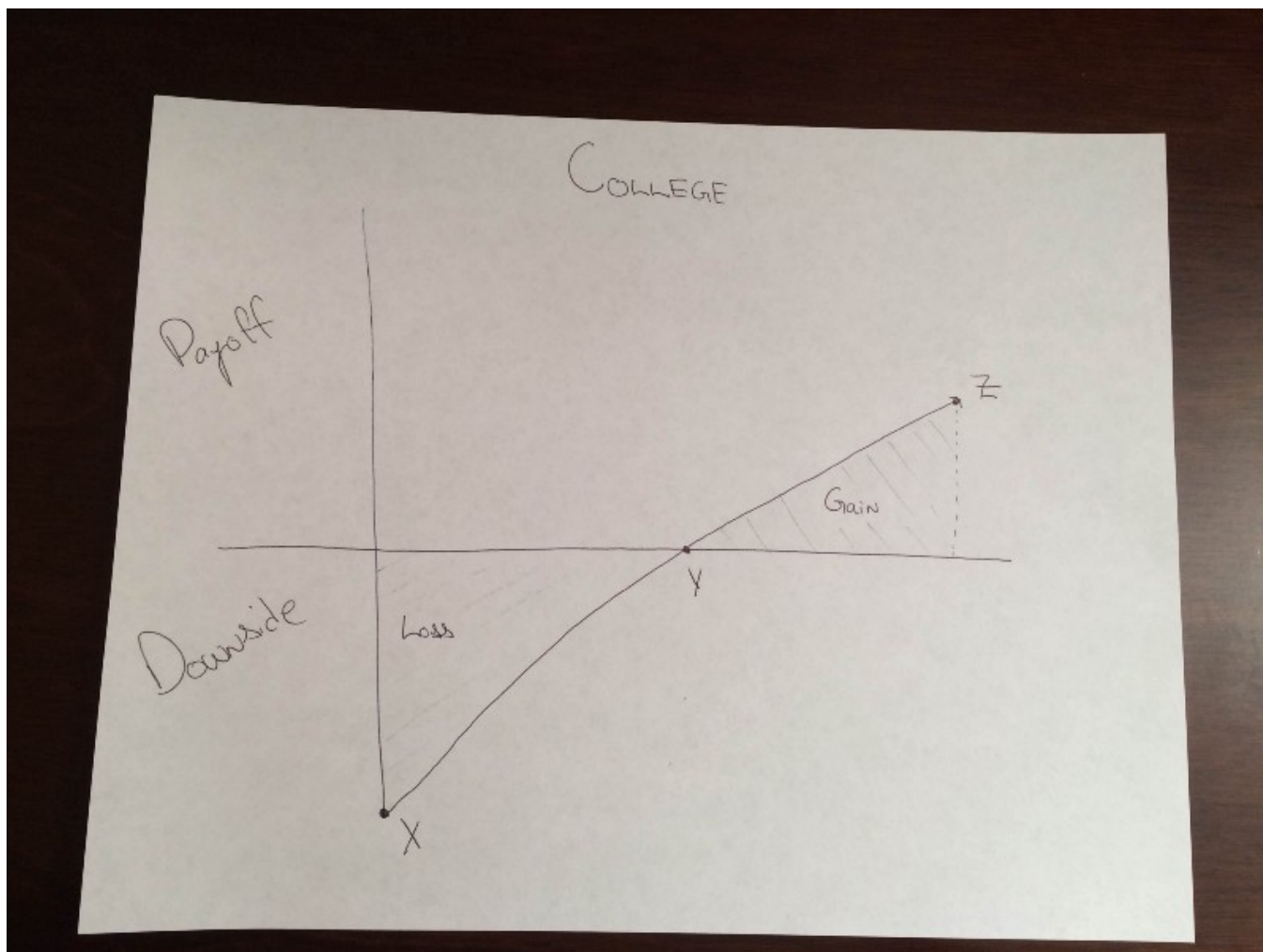
So, what does this have to do with education? If going to college has such an upside as people claim ("\$1M more in lifetime earnings!"), then isn't it the obvious choice.

No, it isn't.

Whether it's going to college or deciding to enroll in grad school or deciding to put your children in schools in lieu of home educating them, discussions on school and education overlook the downside all the time.

Ignoring the fact that school makes you more risk-averse than you would otherwise be, the time alone is a huge downside.

Consider the sketch below:



The downside of a commitment like college is bigger than most people think.

In the case of college, your potential downsides can easily be:

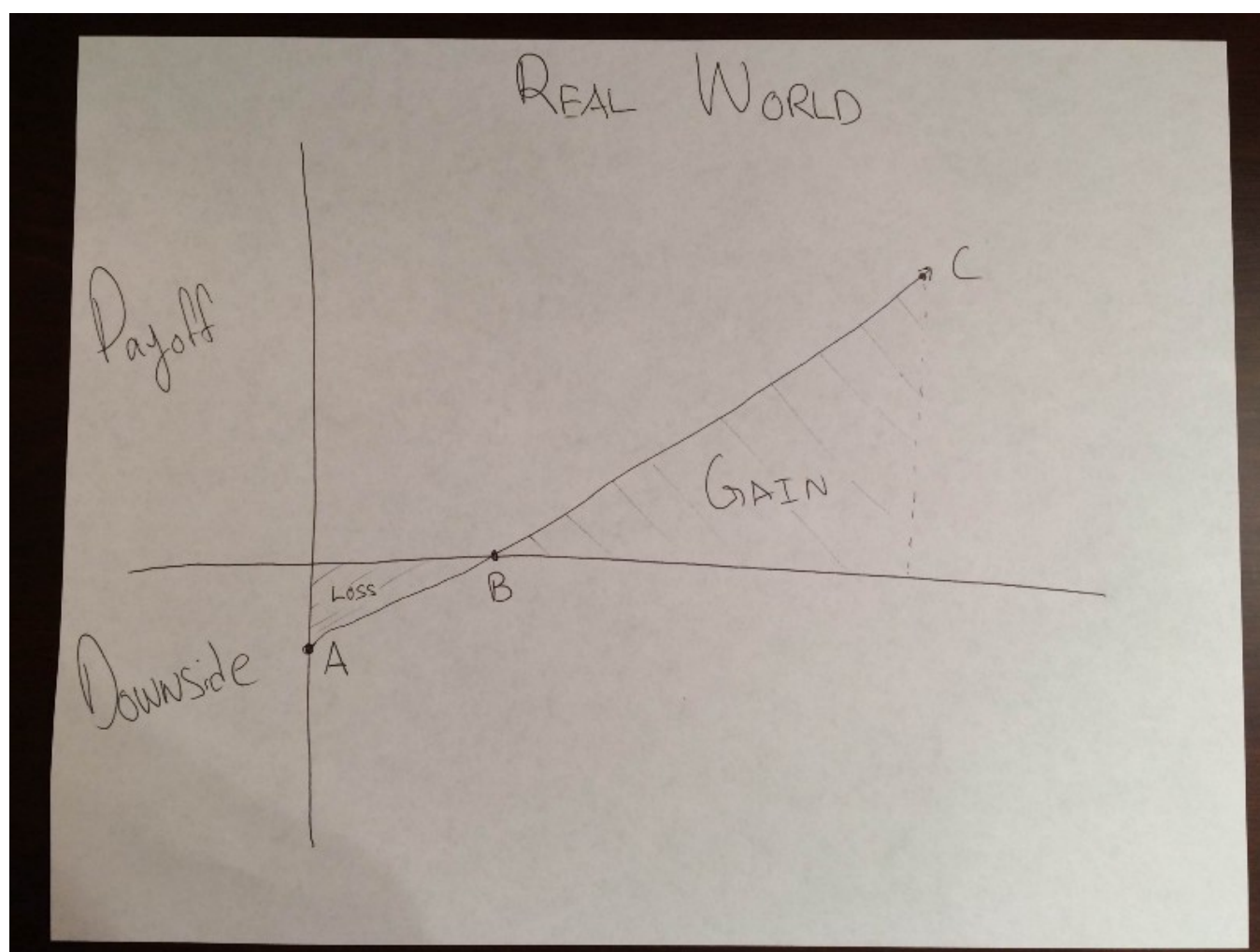
- Tens (if not hundreds) of thousands of dollars wasted.
- Four years spent removed from the marketplace (you can never get that time back)
- Path-dependency and overcredentialing.
- Myriad of other issues.

At the very worst (point X on the sketch), you go and come out no better than before when it comes to prepping for a career *and* you're out of time,

money, and opportunity. A good chunk of grads find themselves no better off than before when it comes for a career (point Y). The remainder land a job or career through their experiences in school (Z).

For those at Z, though, remember that this decision comes at a cost. The downside is years and tons of money spent on something that could possibly have been had without as much downside.

Consider the alternative of going into the real world and creating a learner-driven education (sketch below).



What's the worst that can happen if you spend a year in the real world first?

In this case, the downside is a small amount of time spent and potentially some money for courses, tutors, or books (you aren't locked into spending four years self-educating and it can often be done alongside other

opportunities, unlike most college-based-based schooling). Should you choose to go to college or graduate school, you can (there's no law saying you have to go straight from one type of schooling to another). Worst case scenario is that you spend some time and money on classes, books, or tutors that don't get you where you want to go and you can change course (point A).

A Real Example

Rather than focusing on charts and abstract arguing about decision-making, just consider an example.

You have two young people who want to get jobs in the realm of app development.

The first goes to an accredited, four-year university and studies computer science. He spends four years and \$65,000 (a modest sum compared to some colleges) getting his degree in CS and building a few projects along the way. He graduates and has to learn Objective C and Swift (neither of which are taught in college despite being the languages needed to develop iOS apps), this takes him a few months. His upside here was the credential and any brand name that can come from his university (e.g., MIT, Stanford, Carnegie Mellon are impressive brands on a resume). His downside here was the four-and-a-half years and \$65,000 he spent.

The second student decides to enroll at a 10-month coding bootcamp for \$12,000. He's acquainted with the basics of computer science, coding, and then is thrown right into app development. He builds a few projects along the way and is done before he turns 19. The bootcamp is taught by professional app developers and not by research professors, so the languages in the course are the marketplace-standard — he doesn't have to do any catching up when done. He's not forced to take any required Underwater Basket-Weaving classes or attend any mandatory orientations irrelevant to app development. While his competitor is busy taking these

classes at 19, he's off, gainfully employed at a high-growth startup in a major city.

Who here maximized his payoff relative to the downside?

Before you get caught up in thinking about a credential he may need someday, remember that the second student could always go to college if he needs to. But given his professional goals, he doesn't need to for the time being. He's saved himself 4 years and a ton of cash while his more prestigious competitor is left out of the marketplace.

Which Will it Be?

Stop worrying about likelihoods and probabilities when it comes to your education before you consider what you're pursuing education for in the first place. Chances are, you're being pushed into decisions with huge downsides (debt, time, energy, opportunities) and mediocre payoffs. Seriously consider the fact that a \$30 book may teach you more than a \$7000 course, a \$24 Udemy course could teach you more than two semesters, and that a \$20 meal with a mentor can provide a lifetime's-worth of value.

*This thinking can be applied to career decisions, as well. Check out, [“You're Young: Work at a Startup or an Established Company?”](#) This idea of minimizing downside and maximizing upside is most easily attributed to Nassim Nicholas Taleb in *Antifragile: Things that Gain from Disorder*.*

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