Cost Benefit Analysis: Colorado State University

**Introduction**

I chose to do my cost-benefit analysis on Colorado State University. Colorado State University is a public institution that was founded in 1870. It has a total undergraduate enrollment of 23,479, its setting is urban, and the campus size is 586 acres. It utilizes a semester-based academic calendar. Colorado State University's ranking in the 2014 edition of Best Colleges is National Universities, 121. Its in-state tuition and fees are $9,313 (2013-14); out-of-state tuition and fees are $25,166 (2013-14).

Colorado State University is located in Fort Collins, a midsize city at the base of the Rocky Mountains, less than an hour north of Denver. Colorado State, also known as CSU, offers more than 150 degrees in eight colleges, with graduate programs in the schools of business, engineering, and education and the renowned College of Veterinary Medicine and Biomedical Sciences. CSU is considered one of the leading research universities, and faculty and students work together to explore fields such as atmospheric science, infectious diseases, clean energy technologies, and environmental science.[[1]](#endnote-1)

**Cost Benefit Analysis**

The total cost for going to Colorado State University is $410,643.54. The total benefit for going to Colorado State University is $1,717,757.40. The total benefits outweigh the total costs by $1,307,113.86. Looking at these numbers, it is plain to see that going to college is a worthwhile investment.

**Reflection Questions**

1. According to my calculations, college is well worth the price. The return was more than four times the cost of the investment. I would say that that kind of turnaround is worth the initial cost.
2. I am somewhat confident in my return from my investment. I think that it would take approximately 10 years to begin to see a return on the investment. At this point, the student loan would be paid off and I could start saving for retirement.
3. After looking at just how gosh-darned expensive four-year universities are, I think that it would be a good decision, financial-wise, to attend a community college for two years and then transfer to a four year university for the last two years. I honestly don’t have a top choice school so I wouldn’t really care all that much. The only thing I really care about is if the college is in a cool place.
4. Having to spend an extra year in college could contribute to my tentative total tuition being more expensive than expected. Interest rates could go up, meaning I would have to pay more in interest. Another thing that could happen is that I could not have enough money to pay one month and get charged a late fee.
5. If I were to choose the standard fixed repayment plan for my loan, I would be paying $516.45 a month. Assuming I make $25,000.00 dollars a year, my net annual income would be $21,696.25. If this were my annual income, my monthly income would be $1,808.02. Using this data, we can tell that $516.45 would be 28.56% of my monthly income. This is almost three times the recommended rate.

**Conclusion**

I think that too much debt for me is enough to not let me be able to save for the future. If I were not able to put away money for my retirement in exchange for paying off my student loans, I would be in too much debt.

I believe that the true price of college is sacrificing your time and money in exchange for more money and time later down the road. It is spending money and stress on getting an education so that you may be smarter and get a good job.

Through my research, I have found that going to a school that costs less money will get you a school that has less student to teacher ratios. I gathered that going to community college for two years and then going to a regular university can be a lot cheaper than going to university for four years.

1. <http://colleges.usnews.rankingsandreviews.com/best-colleges/colorado-state-university-1350> [↑](#endnote-ref-1)