

# AN ALTERNATIVE “COURSE”

## Cliff Notes:

- The cost of obtaining an undergraduate degree, particularly at a private university, has potentially risen beyond the economic value that can be extracted from it.
- If you earn a “good living” as many of our friends and clients do, you're likely out of the running for financial aid.
- If your child/grandchild is not an athletic superstar, but simply a “very bright kid”, you may be hard pressed to qualify for an academic scholarship because of increased competition from abroad at many private U.S. universities.
- You might be well served to look at schools overseas, where governments subsidize the costs, even for foreign students. We found a good number of top tier schools that came in at anywhere between 25% - 50% the cost of private U.S. universities - so we hopped on a plane to investigate! We hope your family (children & grandchildren) benefit from our findings.

### 1971

- Private tuition, fees, room and board per year: \$2,930 (inflation adjusted: \$18,140)
- Public tuition, fees, room and board per year: \$1,410 (inflation adjusted: \$8,730)
- Per capita income: \$4,491 (inflation adjusted: \$22,255)
- Adults with a bachelor's degree: 11.4%

### 2018

- Private tuition, fees, room and board per year: \$48,510
- Public tuition, fees, room and board per year: \$21,370
- Per capita income: \$53,697
- Adults with a bachelor's degree: 35.0%

I've been thinking a lot about college lately with my two boys, ages 14 and 16, rapidly approaching “that age”. We're all aware that college tuition has outpaced inflation over the years, and there are likely many reasons for this.

Using information taken from USA today, the average costs of college are currently approximately \$49,000/yr for a private university, and \$21,000/yr for a public university (assuming in-state tuition). In looking at this, I was actually surprised the private university cost was as low as it is stated to be, but I'm certain that they are considering financial aid as well, because in my limited experience, I can't find many private colleges that charge \$50,000 (including room and board). In addition, it seems a lot of the top-tier private schools are currently in the \$60,000 - \$70,000 range, including room and board.

I believe a good approximation for private school tuition for four years is \$200,000 - \$275,000. When taking taxes into account, using a combined 35% rate for state and federal, which is likely a bit low, that equates to \$307,000 - \$423,000 of earnings! For an undergraduate degree!!

Photo: Lindsey, Ethan and Liam Prichard  
(left to right) in Leuven, Belgium



One of the more unfortunate aspects of the college system today is that financial aid is largely unavailable to our friends and clients making a “reasonable” living. In addition, if your child is simply very bright, but not a gifted athlete, they are now competing against a global set of applicants who are also very bright, and thus scholarships at top schools based on academic excellence are also less likely.

After a bit of investigating and talking with friends and clients who’ve had experience with universities overseas, our family took a trip this summer to visit some of the schools that floated to the top of our list. I’ll outline the criteria that I used and some findings of specific schools. This is by no means meant to serve as a comprehensive list or guide, but more of an idea generator to assist in the college value discussion with your college age children or grandchildren.

Criteria that I used when selecting schools to visit:

- Using the QS world university rankings, (see QS website), we typically searched for top 100 global universities. We used some leeway on this if the school was particularly strong in his area of interest.
- We further reduced the list by searching areas of interest for his major (currently Biochemistry and Biomedical research).
- We focused on quality of research and employability scores after graduation.
- We then had to find universities that offered an entire undergraduate curriculum in English (while he speaks quite good Spanish, we found that the schools in Spain did not make the cut in his particular areas of interest).

This led to a reasonably healthy list of schools that we then reviewed together by going to their websites directly. Due to language, the majority ended up being in Ireland and the UK, with a couple of top picks in Belgium and the Netherlands.

England’s schools departed in structure from those in Ireland, Scotland, and mainland Europe, in that the majority of undergraduate degrees are 3 year programs (which should be factored into cost calculations). Students enter college with a declared major, and there is no first year of required classes outside of their major. This has led many UK students to take a “Gap Year” (year break before attending University), so that they can hone in on what they want to pursue and figure out who they are a bit more, find internships to gain experience, and yes - this process may include the stereotypical student backpacking through Europe for the year.



*“The boys” (foreground) on a guided tour in Cambridge*

By and large, we found that the best schools in both Ireland, Scotland and the UK did not charge US residents much more than \$32,000 per year (room and board not included). This includes Oxford and Cambridge, which were on our list, but they are on every uber-bright student’s list.

Thus, an undergraduate degree at some of the UK’s most prestigious schools would likely cost around

\$130,000, including room and board, or roughly half of an equivalent U.S. private school of similar ranking.

We even found that at King's college in London, students could do 1 year abroad at partner universities. The tuition for year abroad study is only 1/3 of typical tuition (which includes partner school tuition). Thus the 2nd year of school may run \$10,000 pre room and board. Partner universities in the U.S. are John's Hopkins, UNC Chapel Hill, U Penn, Georgetown, etc.. Not too bad!

Things got even better as we headed to continental Europe. Programs for undergraduates are back to 4 yrs (vs. England's 3 yr programs), but costs are so reasonable, even for foreign residents, that it is almost laughable. One of our favorites was K.U. Leuven in Belgium. The school is ranked #80 globally, and resides in an absolutely beautiful town in Belgium, roughly 30 minutes outside of Brussels. It is largely a student city, and is clean and safe. They've recently been ranked #7 globally for research and innovation. Tuition was roughly \$7,000/yr!

Of particular note, many of the continental European universities do not offer "room and board" plans, but there seems to be ample assistance in finding a residence, and it seems that most students do some type of shared residence, some of which partner with the college to provide a dorm like environment. Your child/grandchild will quickly become proficient at cooking. UK schools seemed to offer a bit more regarding housing and meal programs that typically covered two meals per day (breakfast and lunch).

I've very briefly summarized schools we visited below, or that floated to the top during our research and trip. If you'd like to discuss any of these in more detail, or if you'd like to share your thoughts or personal experience so that I can update and add to this resource for other clients over time, I would be grateful.

#### **Ireland:**

- Trinity College

Our only stop in Ireland was to visit Trinity in Dublin. It features a beautiful, self contained campus, located right in the heart of the city. The campus has a great feel, and their library houses the Book of Kells. Foreign students are guaranteed housing for the first year, and dorms can be located a bit away from campus, but it's a short train ride that delivers you right to the front gate of the College.

#### **Scotland:**

- University of Edinburgh
- University of Glasgow
- St. Andrews

We only toured St. Andrews and Edinburgh, but I have heard equally good things about Glasgow. Edinburgh is a true city campus. Engineering programs are a few miles away in a smaller campus, which was not attractive enough to make it a top consideration for Liam, unfortunately, because the program seems very strong and is well rated. If you haven't been to Edinburgh, it is a large city, and was a bit intimidating if you're not a "city person". Well worth consideration.

## **England:**

- Leeds
- Manchester
- Warwick (near Coventry)
- Bristol
- Cardiff (Wales)
- Exeter
- Oxford
- Cambridge
- Imperial (London)
- King's (London)

The real sleeper for us was Leeds, which is a very walkable, mid-sized city, with a lot of new businesses moving in and a mix of old and new (with a focus on green) architecture. The campus was contained within the city and student housing was top notch - modern, clean and well placed.

Liam found London to be less intimidating than Edinburgh and liked both Imperial and King's. Oxford and Cambridge were beautiful, and all of us preferred Cambridge due to the smaller size of the city. It just seemed less hectic than Oxford, which was packed to the brim with tourists.

While Bristol is well rated, campus is spread about the city a bit, and he couldn't get a good feel for it on a quality of life level.

Warwick had a beautiful, new and modern campus (the most modern of all the schools we toured), but it was located outside of the towns and required a bus ride to wherever you might want to go. It seemed like a good place to buckle down and study without a lot of distractions.

## **Netherlands:**

- University of Amsterdam
- Maastricht University
- TU Delft

It was our family's first visit to Amsterdam, and given the party reputation we were all surprised and went away feeling that it was a beautiful and clean city. The university is rated #64 in the world, but the strengths were not in areas that are Liam's focus.

Maastricht is an idyllic little city located in southern Netherlands. The quality of the school is terrific, and the campus is a mix of historic buildings in close proximity to city center.

Delft has a monster reputation as a technical/engineering university. With an undergraduate program taught in English, it is worth consideration.

## **Belgium:**

- KU Leuven

Easily accessible from Brussels and Antwerp airports, or roughly two hours from Amsterdam. Among Liam's top three choices currently. Leuven is a charming city. The campus, like Maastricht, is woven into the historic buildings in the center of town, and its reputation globally

is stellar. In addition to being a great place to go to school, mom and dad would enjoy the chance to visit!

### **Summary:**

While the list in this report is not meant to be comprehensive, we hoped that it might inspire a conversation around alternative options for undergraduate degrees. Besides cost, we are of the opinion (as is Liam, our son) that the experience of attending school overseas would likely also be culturally enriching, as most of the cities we visited allowed for easy travel to other areas of Europe, and all had exchange programs with the U.S., Asia, Australia, etc. Regarding downside, some people that I've spoken with feel that the less familiar "brand" of some of the schools may be detrimental when pursuing a career. It is also absolutely true that certain majors will not transfer directly to the U.S., such as those in the practice of medicine (healthcare workers specifically - not necessarily related to biopharma research), and law. I'm sure there are many others.

If you've found this article of interest, please feel free to reach out to me directly to ask questions or add information or personal experiences that you feel would be helpful. I've purposely stayed away from discussing local scholarships that students may be able to find, as well as other alternative routes to assist in paying for private school such as ROTC scholarships. This is a complex topic, and it would be virtually impossible to go into detail on all of the options.

We don't view a high level of student debt, or parents deferring retirement savings to pay "full boat" at private universities as particularly attractive financial options. If you've read this far, I hope our research serves as a basis to assist your family in facilitating the discussion related to the costs of an undergraduate degree today.

Warmest regards,

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Sources:

USA Today: <https://www.usatoday.com/story/money/2019/05/18/cost-of-college-the-year-you-were-born/39479153/>