

## Is that private school really 5 times better?

Posted By *Dave Ramsey* On 04/21/2016 @ 7:13 pm In Commentary, Money, Opinion | [No Comments](#)

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*Dear Dave,*

*I'm a senior in high school here in Arkansas, and I think I want to study business in college. I've gotten an unusual offer from a small, out-of-state school. It revolves around a \$3,000 student loan program, where the loan converts to a scholarship if I maintain a grade point average of 3.3 or higher. Tuition at this college costs about \$34,000 a year, so I was wondering what you think about the idea.*

*Garrett*

Dear Garrett,

I'm glad you're thinking about the future. But this is not my favorite idea, because you could end up with a loan.

In business, one of the things we look at is return on investment. If I can go to one place where tuition's \$34,000 a year, but I could go to another place that's in-state for about \$7,000, the question becomes this: Am I going to get a five times better education – or is my income going to be five times greater – by going to the expensive school? I think most of us who have been walking around a while would say no.

Your income will not be based on where you went to school, and it won't necessarily even be based on your grade point average. It will be based on your ability to take what you learned into the marketplace, kill something and drag it home. This has as much, if not more, to do with your initiative, your perseverance, character qualities and integrity as where you went to school.

One of the great jokes in America today is that *where* you go to school matters. Some places may have better programs in certain areas than others, but is this particular college – which I'm guessing isn't a prestige school, since you didn't mention the name – five times better than a solid in-state school like Arkansas State or the University of Arkansas? No, it's not.

I don't think you're going to get a return on your investment overall in this picture, Garrett. Add to that this little student loan nuance, and the fact that they're not giving you enough "free money" to make this a good deal, I would have to say don't do it.

Dave