

3. I, along with many other passionate high school graduates, decided to attend college with high hopes of making a difference in society with the further education that I would acquire. However, I would say that my aspirations inevitably become more selfish very quickly. I witnessed many of my peers graduate with bachelor's degrees only to find that their job prospects were underwhelming. Their credentials severely limited the job market that was open to them. A friend recently graduated with a PhD in Medieval English Literature from an Ivy League university, but had to settle for a teaching position in the Midwest instead of at a prestigious university on one of the coasts as she had hoped.

Presently, I would say that the primary selfish benefit that I expect to accrue from my education is purely a greater sense of accomplishment. A secondary benefit I expect is a slight increase in the quality of my health. Completing my education would serve as a significant mental hurdle and I do not intend to get a job that matches the level of stress I have experienced as a student. However, as Caplan states, college graduates are harder to satisfy than high school graduates. As a college graduate, I would not be satisfied with simply any job. Instead I am furthering my education to increase the likelihood that I will be employed in a job that provides relatively high levels of happiness and financial security.

Therefore, I would expect that my benefits would be approximately the same as those assumed by Caplan's calculations. Any increase in my return to

education during my lifetime would be offset by the years of earnings and experience that I have foregone as a by prolonging my education.

4. As is the case with many college students who do well as undergraduates, I might have been tempted to call myself an excellent student. However, given the low completion probability among Master's students, I would humbly put myself in the Good Student category among Caplan's profiles until I obtain a Master's degree. Therefore, my degree returns as a Good Student having completed 17 years of education is 2%.

My bachelor's degrees are in finance and economics, which are relatively equivalent to an average business degree. So, my degree return for my major as a Good Student would be approximately 5%. Additionally, George Mason has well-known economics department, especially in the Washington D.C. area. I would estimate that there is a slight premium for having a degree in economics from GMU, so I would say that my degree return based on college quality is about 6%. I did receive a full scholarship to study as an undergraduate, but I now pay approximately the average in-state tuition as a Master's student. So, I would guess that my degree return based on out-of-pocket costs would again be 5%. I would say that on most days I fall somewhere between a school lover and school hater. However, I would give myself a conservative estimate of a 5% degree return based on my feelings toward school. Being a male who has finished the first year of the Master's degree puts me at a degree return of 1%.

Overall, I would estimate the given the length of time that I have been in school, a conservative estimate on the degree return I should expect if I stop at

17 years of education is 2%. Accounting for my gender, major, feelings toward school, and my self-identification as a Good Student, I expect to get a 4% degree return if I complete the Master's degree from GMU.

5. I would say that during my educational career, I have essentially followed Caplan's "Practical Guidance for Prudent Students" At no point during my academic career could I have been classified as a Poor student. I also had every intention of working full-time. Therefore, I did attend and subsequently graduate from high school because it is what my peers did and what my family and I always expected I would do.

Entering college, I was an Undecided major within the School of Business for about the first year. Finally, I decided to major in management because it seemed like a general enough subject and was one that I enjoyed. Upon learning that I had earned enough college credits in high school to graduate with a bachelor's in three years, I decided to double major in finance and economics. I was never interested in majoring in fine arts, but neither was I interested in going into a STEM field like my parents. In choosing to go to George Mason, a relatively respected public school that is in-state, over an out-of-state private school, I also followed Caplan's advice.

Where I divert from Caplan's advice is my decision to pursue a Master's degree instead of immediately acquiring a full-time job. My undergraduate record gave me reason to believe that I fit the profile of a person who would succeed in graduate studies. As most people do, I overestimated my abilities and did not arm myself with the knowledge that completion percentages are so low across all

fields. I did choose a major, in economics, that Caplan advises those that choose to get a Master's to pursue.

My decisions have resulted in a way Caplan would predict for someone with my circumstances. I believe that I would get a comparable degree return to the one Caplan would predict for a student with my characteristics. At each subsequent grade level I have attended, students that entered the program at the same time usually drop out within a year of when Caplan would predict. I would estimate that from high school onwards, the outcomes that I have achieved reflect those predicted by Caplan's rational guidance towards education.

9. Based upon my self-categorization as a Good Student, Caplan would predict that earning a Master's degree would make my compensation greater than my productivity using either the Cautious or Reasonable approach when accounting for the share of signaling. Society is inherently losing with every additional year of education that I attempt.

The primary benefit to society that could come as a direct result of my education is the fact that I have become a more rational voter. My argument is purely political and consequently may not be viewed as adding a benefit to all of society, but rather to the individuals that share my opinions. Throughout high school, I had not been exposed to a variety of political viewpoints. I also was not introduced to economics except for the trivial amount presented in civics and history classes. I had mostly liberal voices surrounding me and echoing each other. Having received all my education at GMU since that time, I have not only heard a variety of different viewpoints from my peers, but I have also developed

an economic viewpoint on life. This viewpoint is largely shaped by the economic leanings of the professors that I had over that time, so the contribution that would have towards society can be debated.

My personal contribution comes from the fact that not everyone receives and education in economics. Many that do suffer from a lack of diverse political and economic viewpoints. The social benefit that comes from being able to supply an unbiased and rational opinion is an important one. My education at GMU has provided me with the opportunity to do that. An argument that can be made against this benefit is the fact that my vote counts that same amount as those of other people. One person receiving an economics education from GMU doesn't make a difference in the grand scheme of society.

The social benefit of my education is very localized to my personal community. I would estimate that they would be like those predicted by Caplan's calculations. Many, if not all, of the selfish benefits I would hope to receive from my education cannot be treated as social benefits. The increased personal satisfaction and higher levels in quality of life and health are purely status and would come at the expense of other people. Only people with whom I interact and who value my opinion would potentially be swayed by the arguments I could make having acquired the education that I have. Even then, it would be hard to argue that society in general would greatly benefit from my education.

11. I chose to look at the spreadsheets pertaining to selfish returns by major, which are used to describe the results found in Figure 5.8: Freshman's Selfish Degree Returns by Major. In the spreadsheets, Caplan examines the degree return of four types of students: Excellent, Good, Fair and Poor. He looks at the returns that such students would get had they chosen to attempt a bachelor's or master's degree either in engineering or fine arts. He uses these two majors because they fall on polar ends of the compensation spectrum. For each type of student, Caplan also examines the change in degree returns with every additional year of education attempted, depending on which major they are pursuing. An important aspect of Caplan's argument is the changes in degree returns leading up to and including a completion year. Along with the two spreadsheets containing the meta data that Caplan uses in his calculations, there are eight other spreadsheets. Specifically, for each of the four types of students, there is a calculation of degree return depending on their choice of either engineering or fine arts as their major.

In his calculations, Caplan assumes that everyone has at least a middle school education. Degree return is calculated by summing the products of the stopping rates at a certain year and the probability that a person who drops out is in a year of their degree. The takeaway from the spreadsheets that Caplan applies to Figure 5.8 as well as his overall argument is that pursuing a bachelor's in engineering is a good decision financially for all four types of students. On the other hand, even freshman who are excellent or good students should pursue a fine arts degree with caution. Given the small increase in pre-tax income and the

opportunity cost of the forgone earnings, it would be a more rational decision to either choose another major or get a full-time job after high school.

I decided to change the assumption that the average person pays \$3662 in college tuition. Having attended high school in Fairfax County, many of my peers chose to attend public colleges in Virginia where they were paying approximately \$8000 per semester. There were some who chose to study at private universities or go out-of-state, but I believe that \$8000 is an accurate estimate of the out-of-pocket tuition that many of them paid.

As expected, degree returns fell in all categories when tuition was assumed to be greater than it was previously. However, rates did not fall as sharply as I had expected. More than doubling the cost of tuition only decreased the degree return by 3% for excellent engineering college graduates. Even among excellent fine arts graduates, the decline was only 1%, which is admittedly significant when looked at from a relative perspective. Poor students fared as expected, which was due primarily to their low probabilities of completion.

Still, freshman who are deciding their majors should carefully consider the value they place on their choice of school. A rational self-assessment of their abilities combined with their interests could translate to a smart financial decision for their future. Tuition can greatly impact the benefit that they accrue from education when compared to the forgone experience and earnings. In the context of the results provided in Figure 5.8, an increase in tuition would certainly

influence an individual's choices when it comes to deciding major and college to attend as a freshman.



Excellent Student Majoring in Engineering - \$3662 vs \$8000

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.986	1.049	4.9	7.5
10	0.986	1.049	4.9	8.4
11	0.986	1.047	4.7	10.3
12	0.986	1.164	16.4	16.4
13	0.903	1.056	5.6	10.7
14	0.903	1.055	5.5	13.2
15	0.903	1.055	5.5	18.7
16	0.903	1.366	36.6	36.6
17	0.707	0.993	-0.7	3.1
18	0.707	1.102	10.2	10.2

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.986	1.049	4.9	7.5
10	0.986	1.049	4.9	8.4
11	0.986	1.047	4.7	10.3
12	0.986	1.164	16.4	16.4
13	0.903	1.049	4.9	9.7
14	0.903	1.049	4.9	12.0
15	0.903	1.049	4.9	17.0
16	0.903	1.333	33.3	33.3
17	0.707	0.991	-0.9	2.7
18	0.707	1.096	9.6	9.6

Excellent Student Majoring in Fine Arts - \$3662 vs \$8000

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.986	1.049	4.9	7.5
10	0.986	1.049	4.9	8.4
11	0.986	1.047	4.7	10.3
12	0.986	1.164	16.4	16.4
13	0.903	1.004	0.4	2.3
14	0.903	1.005	0.5	3.2
15	0.903	1.003	0.3	5.0
16	0.903	1.111	11.1	11.1
17	0.707	0.993	-0.7	3.0
18	0.707	1.099	9.9	9.9

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.986	1.049	4.9	7.5
10	0.986	1.049	4.9	8.4
11	0.986	1.047	4.7	10.3
12	0.986	1.164	16.4	16.4
13	0.903	1.001	0.1	1.8
14	0.903	1.002	0.2	2.7
15	0.903	0.999	-0.1	4.4
16	0.903	1.100	10.0	10.0
17	0.707	0.991	-0.9	2.5
18	0.707	1.091	9.1	9.1

Poor Student Majoring in Engineering - \$3662 vs \$8000

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.878	1.043	4.3	5.9
10	0.878	1.042	4.2	6.8
11	0.878	1.042	4.2	8.6
12	0.878	1.144	14.4	14.4
13	0.497	1.025	2.5	3.0
14	0.497	1.024	2.4	3.9
15	0.497	1.024	2.4	6.8
16	0.497	1.209	20.9	20.9
17	0.214	0.965	-3.5	-2.9
18	0.214	1.024	2.4	2.4

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.878	1.043	4.3	5.9
10	0.878	1.042	4.2	6.8
11	0.878	1.042	4.2	8.6
12	0.878	1.144	14.4	14.4
13	0.497	1.018	1.8	2.3
14	0.497	1.018	1.8	3.1
15	0.497	1.018	1.8	5.8
16	0.497	1.184	18.4	18.4
17	0.214	0.962	-3.8	-3.2
18	0.214	1.019	1.9	1.9

Poor Student Majoring in Fine Arts - \$3662 vs \$8000

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.878	1.043	4.3	5.9
10	0.878	1.042	4.2	6.8
11	0.878	1.042	4.2	8.6
12	0.878	1.144	14.4	14.4
13	0.497	0.987	-1.3	-1.1
14	0.497	0.986	-1.4	-0.8
15	0.497	0.986	-1.4	0.4
16	0.497	1.060	6.0	6.0
17	0.214	0.964	-3.6	-3.0
18	0.214	1.023	2.3	2.3

Years of Education	Completion Probability	Return to Education	Return Rate	Degree Return
8	1.000			
9	0.878	1.043	4.3	5.9
10	0.878	1.042	4.2	6.8
11	0.878	1.042	4.2	8.6
12	0.878	1.144	14.4	14.4
13	0.497	0.983	-1.7	-1.5
14	0.497	0.983	-1.7	-1.2
15	0.497	0.982	-1.8	-0.1
16	0.497	1.051	5.1	5.1
17	0.214	0.961	-3.9	-3.3
18	0.214	1.017	1.7	1.7