The preparation consists of the following:

- Improved learning of application of real skills for data to monetize the benefits and costs and discount the benefits
- Develop assumptions for their future career earnings

The student will analyze the results from their quantitative analysis. What do these results reveal? Do these results make sense? What do the results from this analysis mean? That is, be able to interpret the meaning of the net present value analysis (NPV) as it relates to them. Now examining their results and their data, the student will conduct a sensitivity analysis. What do these results reveal? Do these results make sense?

### Learning Objectives

The learning objectives for this activity are:

- Learn the general factors that contribute to the benefits and costs of a student’s education;
- Identify the components of benefit-cost analysis and carefully assess the data needed to analyze their education;
- Develop assumptions for their future career earnings via valid resources and to justify their assumptions;
- Improve their EXCEL® skills for data analysis;
- Improve written communication skills to summarize and explain their results;
- Improved learning of application of real-life examples from economics.

### Implementation

The implementation of this individual assignment is rather straightforward. The individual assignment will have the following components:

- Prepare a handout explaining this assignment, the purpose of the assignment, the requirements for this assignment, and the learning outcomes from the assignment. The second part of the handout will have a worksheet that enables the students to enter their data for this analysis for the costs, benefits, and assumptions such as the discount rate, how any years will be in the workforce and other items pertinent to the student.

### Requirements for the Individual Assignment

**Part 1:** The students receive this assignment and a worksheet to input their information related to their investment in a 4-year college education. This handout will need to break each step of the assignment that needs to be completed:

1. Define the framework for the analysis, e.g., assumptions on type of occupation, acquiring additional education, certifications, the appropriate discount rate etc.;
2. Identify the benefits and costs;
3. Determine the timeline of the benefits and costs, e.g., how many years in the labor force;
4. Monetize the benefits and costs;
5. Discount the benefits and costs to obtain the present values;
6. Calculate the net present value (NPV).

**Part 2:** In this part of the assignment, the students begin to fill in the worksheet that contains their costs and the benefits of their education as outlined in the handout from part 1.

**Part 3:** After carefully compiling their data, the students will enter their data from their worksheet into EXCEL® to monetize the benefits and costs and discount the benefits and costs to obtain the present values. Finally, the NPV is calculated.

**Part 4:** Reviewing their quantitative results by and modify their assumptions or sensitivity analysis (Promotes Problem Solving and Decision-making Awareness).

**Part 5:** Writing up the results from their analysis (Promotes written communication skills)

### References

