In my opinion, we still have a hierarchal bureaucratic educational system and structure, created in the 19th century, that has not been allowed to change much even as we are now well into the 21st century. We have a top down system that still places more emphasis on memorization, regurgitation, and conformity, than it does on creativity, personal growth, and ingenuity. As with most entrenched public bureaucracies, those in power over our children’s education fearlessly defend the status quo, and are very quick to discount and discredit anyone or group that is willing to experiment on different and potentially better ways to educate. Think about how many incredibly gifted children have fallen through the cracks of our current educational system because they simply did not know how to memorize well and/or were completely bored in the classroom, or worse yet, had their self-esteem robbed from them because of bad grades and being called “stupid” simply because the way they learn does not conform to the way they were taught. I definitely do not have the answers, and I am most certainly no expert on the subject, but I think we can all agree that broadening the choices on how we educate and explore new and different methods should not be stifled by the existing system.

Furthermore, the cost of higher education has skyrocketed to a point where we must seriously do a cost-benefit analysis as to whether it makes any sense. Does it make sense to pay $65,000 a year for four years for a student to get a degree in poetry? For those students who want to go into medicine, law, or any other field that requires professional training, one might argue that yes, they do need higher education, but at what cost? Some private colleges cost approximately $65,000 a year. Does this make any sense? With the current ability for all lectures to be recorded and accessed online, most classes can effectively be acquired for free, or nearly free, relative to the costs now at most educational institutions. What you are paying for is interaction, both with other students and a professor. There is a lot to be said for this interaction, with the advent of all the new technologies at our finger tips. There has to be a better way to provide that interaction, when needed, than at an approximate cost of $65,000 a year for private institutions or $20,000 a year for public ones.

Most of you reading this can easily afford the cost of the tuition for your children or grandchildren, so you may be thinking to yourself, “well this does not apply to my family, thank goodness.” WRONG. For many children, a traditional college education, if you eliminate the social stigma of not having one, may make little sense. For many of them, they might be better off at the age of 18 having the funds for their tuition put into a personal trust for them. They then can either apprentice, work, and/or go to community college or vocational school in the evening, and allow that money to instead compound and grow over a 10 year period, or better yet, their entire working years, and only grant access to it for either retirement, a down payment for a home, or emergencies. If an individual is on the path to enter a profession that does require higher learning, such as medicine, or law, might they be better off attending a public institution instead of a private one and investing the difference? There is no question that more attention and better professors may exist at certain schools, but is it worth $160,000 more over four years to go to one to get a biology degree, when what matters most for med school admission is a student’s MCAT score, and can’t those great professors be accessed online at a fraction of the cost?

When I talk about this many people say, “Andrew you do not get it, college is not about what you learn, it is about learning the learning and thinking process, and it is about the experience. Well if that is the case, then might it be better for a student to major in happiness and social interaction with a minor in
personal finance and empathy? Can’t they instead take the classes for free online and meet in a coffee shop three nights a week, with other students taking the class, in order to have vibrant discussions on topics? Might a better use of part of the tuition money be for a one or two year work study trip around the world? I am just being a bit creative here, but you get the point.

Going back to what we talked about in the first paragraph, we must also really rethink how and what we are teaching our youngsters, and relook at the best methods based on the individual student or “bottom up”, and stop institutionalizing education “top down”. A good place to start is by working backwards. Why not take a look at the happiest and most fulfilled people in the world (fulfilled does not necessarily mean financial achievement), interview them, find out what were the best lessons that helped them get to where they are, find out how they learned those lessons, and then duplicate it? Again, just one outside the box thought. But we really must start to question and disrupt education.

Those of you who have trouble with what I am writing about today are encouraged to read about Thomas Edison’s childhood and education, and think about how much you learned in college that you actually use today, and if you have children, think about how much time and money is wasted teaching our children how to take exams instead of teaching them something practical and useful for life.

Please feel free to forward this article to anyone who might benefit from reading it.

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About the author:

Andrew Schultz has been a Financial Advisor at Morgan Stanley and its predecessor firms for over 25 years. He is a Private Wealth Advisor, a group within Morgan Stanley Wealth Management who focus on Ultra High Net Worth individuals, families and foundations. Andrew has recently been recognized by Barron’s as one of the Top 1200, by Forbes as one of the Top 200, and by the Financial Times as one of the top 400 Financial Advisors in the country.

If you would like to receive Andrew’s weekly commentary please email him Andrew.schultz@morganstanleypwm.com or visit his website. If you are interested in scheduling a consultation with Andrew please contact Jen Todd at jennifer.todd1@morganstanleypwm.com or 305 695-6153. If you would like to unsubscribe please email schultzserviceteam@morganstanley.com.

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