

## Delaying Graduation Can be Hazardous to Your Financial Health

WILLIMANTIC – Part of a successful college experience is having an exit strategy, and a timely one at that.

Delaying graduation, even by a matter of months, could be quite costly to one's personal finances. Some academic experts suggest a student who puts off graduation for one semester could lose up to a year's income, when considering lost wages and other related expenses.

“The cost of delaying graduation is not just the tuition dollars that you pay. It's the foregone earnings during that time. For every month that they delay graduation they are foregoing one-twelfth of that salary,” said Rhona Free Ph.D., vice president of academic affairs and professor of economics for Eastern Connecticut State University.

Free said some students push their graduation date from May or August to December with little thought about the economic consequences. “Students may ask, ‘Why should I bother taking courses over the summer? I'll just graduate in December instead.’ That's four months of forgone earnings,” Free said.

Depending on the salary scale of their chosen profession, that could be a considerable sum. For a graduate with a degree in marketing, who might expect a starting salary of \$48,000 per year that four-month delay represents a loss of \$16,000 in salary alone. “Add to that the tuition that you pay, the room and board that you pay and the interest that you would pay on the money you borrow to go to school for that extra semester. If you add it all up you get this significant figure,” Free said.

According to the National Association of Colleges and Employers, or NACE, a student who borrows \$16,000 to pay for a fifth year of college and pays it back at 6.8% over 10 years will pay \$6,095.35 in interest.

In the long run, and depending on the actual amount of an on-the-job salary, delaying graduation could cost about \$6,000 a month to delay graduation. If a student takes courses during the summer and graduates in August instead of delaying until December, they could save \$24,000, experts said.

Since some college degrees and career paths pay better than others some students would have more to lose by delaying graduation.

Other costs related to changing graduation dates are not as obvious, but should also be considered, said Edmund Chibeau, Ph.D., associate professor of communication at Eastern. “It is not just a matter of missing a year's income but missing a year's seniority, promotion, and cost of living allowances,” he said.

“Contracts change; the contract that people came in under this year might be different from the one that is offered next year, especially with medical benefits or retirement plans in time of recession,” Chibeau added.

There are many more reasons to stay on a four-year track, including professional opportunities and reputation, or at the very least, the perception that may come with delayed graduation.

“There are jobs available to grads that are not available to undergrads, “so the sooner you are on the market the longer your period of growth. If we are reasonably competent in our job and stay with it for a few years then every once in a while we will get a lucky break. The longer you are in your profession the more likely you will be in position to get that lucky break,” Chibeau said.

“From an employers point of view or a graduate school’s point of view, a student who has been able to finish in four years and just a couple of summer courses looks like a more dedicated and organized student than one who’s got to stretch it out longer. They look more focused. In the long run it’s good to have on your transcript that you graduated with your class, which you can do if you take a couple more courses over the summer,” Free said.

It also makes them more competitive in the job market, according to Shelly Gimenez, dean of the school of continuing education. “It gives them an edge and anything that gives them an edge makes them more employable,” Gimenez said.

“You can waste your time and not take a summer course or make your time count and the payoff will be graduation. You can stand still or take action and help yourself graduate sooner and put yourself on the market sooner,” Gimenez said.

To those students who might consider putting off graduation because of the economic downturn and fear there are no jobs to be had, Free said they could and should be making better use of their time by volunteering, which could help augment their educational experience and make them more employable.

“Even if it’s hard to get a job, there are valuable activities that students can do after graduating that look better on their resume than hanging out in college for an extra semester,” Free said.

“Not only do volunteer opportunities increase our skills but demonstrate our dedication to the field and our interest in serving the larger community. Employers are always interested in people who have given something back,” Chibeau said.

Eastern has numerous on campus and online courses available to keep students on graduation track this summer. A growing number of online courses makes it possible for students to take a course with one of the professors that they know and do it from their own home, said Carol Williams, associate dean of the school of continuing education.

Gimenez said they can possibly fulfill a graduation requirement by taking an online course and still earn money by working during the summer as well, which allows them to build work credentials.

For a full list of summer intensive and online courses or for registration information visit the website at [www.easternct.edu/ce](http://www.easternct.edu/ce).