

COLLEGE EDUCATION OR ENTREPRENEURSHIP?

FINANCIAL E-BOOK





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Generation X parents continue to face the challenge of climbing uphill to save for their children's college education. For a Generation X couple that has their first child here in 2014, the cost for a private college at \$50,000 a year will cost over \$518,000 of total dollars at a 5% inflation rate. As crazy as that sounds, a parent would have to save \$1,085 per month in today's dollars to be able to reach that goal. For most parents, the thought of saving this much money to pay for the cost of education for just ONE child can be downright daunting. The cost of a college education cannot defy gravity forever, but to this point there has been no stopping the rising costs for a four year degree.

During the formidable teenage years, many parents help guide their children toward getting excellent grades in school, playing some sort of athletic sports, and filling their resume with extracurricular activities. However, there isn't a lot of emphasis by the schools or parents on helping young adults focus their energies on becoming an early stage entrepreneur. There is always a debate about whether book smarts or street smarts are more important, but here is some exciting news on teenage entrepreneurship to help.

Sean Belnick started his business when he was 14. Before office retailers like Staples started bringing their businesses online, Sean Belnick saw a huge, untapped market for furniture back in 2001. At age 14, he aimed to simplify the process consumers faced of buying furniture by founding BizChair.com. He started small, initially selling only office chairs. By selling goods directly to buyers, Sean managed to rake in revenues of \$42 million by 2008. He has since expanded the business to include more furniture for offices, homes and restaurants. Now, at 25, he continues to lead the firm's evolving market strategy and to focus on the development of new IT initiatives. In 2010, Belnick, the parent company of BizChair.com, saw sales rise to \$58 million. (source: www.yahoo.com)

Always on the hunt for new ideas, Ritik Malhotra began programming when he was just 8. Four years later, he started a website that let viewers read comics online, and after reading up on useful SEO tactics, he managed to 250,000 visitors in one year. He eventually mastered the art of making websites, starting a gaming site and then a popular web forum that attracted 6.5 million viewers in a single year.



Following that, he ran a webhosting and software consultancy business called by the time he was 13. It garnered a return of more than 600 times his initial investment. While the site had revenues in the high single-digit thousands, Ritik shut it just before he entered high school so he could focus on his studies.

Now, Ritik is co-founder of Silicon Valley Prep, a learning academy that teaches various levels of competitive math, computer science and public speaking to elementary, middle, and high-school students. A 2012 Thiel Fellow, the 19-year-old also co-founded Greply, a venture-backed startup in Silicon Valley, and has just built a tool that allows users to search the web for the cheapest deals on any given product.



Revenues from Silicon Valley Prep have totaled up to \$45,000 in one summer alone. As for Greply, he and co-founder Samvit Ramadurgam are "going for high growth, so we'll see how the numbers turn out," Malhotra said. (source: www.yahoo.com)

These are just a few stories from the thousands of young entrepreneurs in America today. With the ease of access to technology, everyone can encourage kids to be creative and think about a new business or idea that can become a business. It would be an interesting debate to put twenty kids side by side and give them each \$518,000. One of them would use it to start a new business and not go to college. One of them would use the money to earn a four year degree at a good college institution. Twenty years later, who do you think would be more successful? You decide...