

Degrees, Debt and Entrepreneurship

www.legconsol.com/do-you-have-to-have-a-degree-to-be-an-entrepreneur.html

It's a question I come across often on social media: Do you need a college degree in order to become an entrepreneur?

The simple and short answer is: ABSOLUTELY NOT.

The longer answer is a touch more complicated.



Before the Pro-College Trolls scroll down to the comments, let me say this. There is still a role for a college degree, and absolutely some professions that should continue to require one. As they should. No one wants a doctor or lawyer without a degree practicing on them. No matter how many YouTube videos they've watched.

But specifically speaking to those interested in starting their own businesses, a college degree is neither a necessity nor a benefit. Here are 5 reason why.

"Success" in College is Different than "Success" in Business

The nature of "success" in college is fundamentally different than the nature of "success" in business.

Success in college is largely dependent on a student's ability to memorize and regurgitate facts on demand. In college, failure is viewed as - well, as failure. And a grade is the metric of "mastery".

And because "intelligence" is largely measured by how effectively you can remember and regurgitate facts and theory, many students who learn differently will struggle with college.

By contrast, starting a successful business requires the ability to think critically; to connect dots that don't have a clear, visible line between them. This requires an entrepreneur to be able to see both the present, as well as be able to have the ability to envision the future.

Entrepreneurship also requires embracing failure as part of the process. Every successful entrepreneur has had a false start, or two, or 20. In many cases, it will be the lessons learned from failure that will ultimately lead to success.

Rather than grades, the metric of "mastery" for entrepreneurship is profitability. So while you only need to sustain a passing grade over the course of a semester, an entrepreneur must sustain profitability day in, day out.

Most importantly, entrepreneurship isn't just the memorization of facts. Rather, it is the hands-on implementation of what is learned

The Value of Leveraged Time

There are three principle ways to build wealth: Investing, Real Estate and Entrepreneurship.

All three benefit from leveraging time. I discuss [the importance of leveraged time here](#).

On average, a bachelors degree can take anywhere from 4-6 years to attain.

During that time, a student will learn a lot of theory about how business works. But by the time they actually enter the workforce, much of what they learn will be obsolete.

By comparison, starting a business is done in the present. The mistakes made, lessons learned, and corrective actions taken are all done in the moment.

As such, the knowledge gained holds more value. All while learning and implementing current best practices.

Instead of taking 2 years of "prerequisite" courses that have nothing to do with your major, an entrepreneur can skip right to the meat and potatoes.

Need to learn how to set your business structure up? [Startup With Google](#) and the IRS website are your textbooks.

Questions about marketing and branding? [Neil Patel](#) and Gary Vaynerchuk are your professors.

Issues with sales and conversions? [Hubspot Academy](#) has just what you need.

All learned and implemented in real time. Which shortcuts the time spent getting from concept to revenue.

Simply put, starting a business is the best shortcut to success someone can ever create for themselves.

All That Debt

Let's start with the top line number: As of writing this, [Americans currently owe a cumulative \\$1.4 TRILLION](#) (Yes, with a T) in college debt. This amount now surpasses credit card debt and is second only to mortgage debt.

The graduating class of 2017 walked across the stage with the distinction of being the most indebted class ever. A title it took from the 2016 graduating class, and one it will most likely surrender to the class of 2018.

Approximately 70% of students graduate college with student loan debt; [an average of \\$26,700 in student loan debt per student](#).

And that doesn't account for the [47% of students who start but never complete](#). Many of them incurring the debt, but never attaining the degree.

The effects of all of that debt ripples throughout the economy at large. Many young adults are putting off purchasing homes, starting families and saving for retirement because of their student debt burden.

A [2015 study by the Federal Reserve Bank of Philadelphia and Pennsylvania State University](#) found a negative

correlation between student loan burden and new business starts.

Interestingly enough, [a survey conducted by CNBC](#) actually found that a majority of small business owners DIDN'T have 4 year degrees.

All of which suggests that if your goal is to start your own business, you would be better served not racking up all that debt in the first place.

Technology, Technology, Technology

Last week, Apple released it's highly anticipated 10th Anniversary iPhone.

Let that sink in. The iPhone is only 10 years old.

In the span of a decade, the iPhone has replaced the calculator, map, radio, CD player, camera and calendar.

Apple's simple, intuitive product has disrupted the music, map-making, media and educational industries, just to name a few.

Over the past 10 years, technology companies have grown at rates that have outpaced many century old blue chips companies. In fact, half of the top 10 wealthiest companies in the country are now tech companies.

Recently, an [Oxford study estimated that nearly half of the jobs that currently exist will be replaced by technology](#) . On the side of the equation, a report by the Department of Labor expects that [65% of the jobs that today's elementary students will hold have not yet been created](#).

Think about it. Social Media Managers, Digital Marketing and Facebook Ads Specialists are all jobs that didn't exist a decade ago.

10 years ago, there was no Uber; now the world's largest taxi firm. Nor Air BnB; now the world's largest "hotel chain".

Instagram, Snapchat, Pinterest?

No, nope, nah.

And with Artificial Intelligence (Skynet anyone?), Automation, Cryptocurrency and Blockchain all gaining increased relevance over the last 2-3 years, the workplace of the future is destined to look very different than it does now.

Yet the design of the educational system has failed to keep pace. Which means most students will face the challenges of the 21st century with 20th century preparation.

The Knowledge is Available Without The Debt

A lot of people will say, "The education will pay for itself."

And while the numbers are still out on the validity of that statement for the most recent graduates, the fact is, the statement begins with a flawed premise.

It equates "education" with "formal education". The two are related, but not the same.

It's an old school mindset that doesn't account for the disruptive capabilities of technology (See above).

Spoiler alert: They're wrong.

For an aspiring entrepreneur, there are a multitude of ways to get the "education" you need to be successful, without the corresponding debt.

The entirety of the world's collective knowledge is now available right at your fingertips at "Google University" or "YouTube Academy".

There are countless articles or videos covering just about any topic you may have a question about.

And if you want more structured and concise instruction, sites such as [Udemy](#), [Teachable](#) or Skillshare all offer low cost - even free courses - on a wide range of subjects. All available on demand and on your time table.

For even more options, you may consider MOOCs, Massive Open Online Courses, which make the curriculum of many top-notch institutions available. And while you won't get the degree at the end of the course, you will receive the knowledge.

It is currently possible to take courses designed by institutions such as MIT, Wharton and Harvard on the [EdX](#) or Coursera platforms. Most of which are available for free, and also offer the opportunity to pay to receive an industry recognized Certification.

All this knowledge available without the crippling debt and unnecessary credits that accompany a traditional business degree.

So what do you think? Is there any value in a college degree for an aspiring entrepreneur?

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It took me a lot longer than I would have liked, but I finally figured it out: **Time is the Ultimate Currency**. Learn the tips, tricks and obstacles I encounter on my journey to escape from the rat race.

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