



## **CAP System™ Case Studies**

**The following highlights 2 Case Studies from families using LFE’s new scalable CAP System™, and a 3<sup>rd</sup> that represents a strategy in CAP that hundreds of clients have used**

## ***Report versus Process***

The 5-Step CAP System™ is very different from other College Planning tools in that it is a *process*, not a *report*. CAP is an educational tool that guides students and parents through a series of questions, highlights costly mistakes to avoid, and gives them instant access to dozens of online resources to assist in arriving at the best decisions for them. Its purpose is to educate, not to give advice.

After hearing thousands of college-related financial horror stories prior to creating the CAP System™, we saw the need to create a student-driven resource that enlightens, educates, and empowers the students – and the parents and grandparents who support them – when making life-changing college decisions. It is the first D-I-Y digital tool designed to engage students in the basic process of beginning to navigate the complex world of College Planning.

Throughout 5 simple Steps – 1) *Career Planning*, 2) *College Selection*, 3) *ROI: Do the Numbers Work?*, 4) *More Strategies to Slash Costs*, and 5) *Get Hired: How to Obtain a Great Job Offer* – students learn how to save thousands on college, graduate quicker, and be better prepared for the job market. Their parents and grandparents are then able to see the student’s commitment, as well as evaluate essential principles to protect their financial security (see examples in the Case Studies).

The ‘outcome’ is the student’s personal College Action Plan, which they complete right on their dashboard. However, rather than a static report, it is more of a fluid process. They often go back and revise earlier choices, analyze options, and edit their results ... and may continue to do so throughout their high school and college years. Their final *College Action Plan* does not reflect the thought process, nor the numerous changes they made throughout CAP; it only reveals their current decisions at one point in time.

Here are Case Studies from three very different clients. Since the CAP System™ is a stand-alone solution that does not require one-on-one coaching, we seldom hear the ‘story’ behind the outcome. These three examples were special cases of individuals who shared their experiences (Cases #1 and #2 after using the CAP System™). With their permission (after adhering to their requests to edit their personal details and comments), you will find their stories and two actual *current* College Action Plans.

While more detailed one-on-one College Planning services offered by many advisors today will take the planning process to the next level, we hope the following Case Studies help you see why the market for this scalable solution is massive ... and just a few of the benefits it provides for the financial professionals who make it available.

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## Case Study #1: Patrick

This family is upper-middle-income and the parents are fortunate to have the resources to pay for college for their son, Patrick. After 6 campus visits, extensive research, comparison of financial aid packages, and upon receiving acceptance letters from four schools, Patrick was ready to make his final decision.

The total cost of these schools ranged from **\$125,000 – \$287,000**. They then heard about CAP and decided to go through the process almost as an afterthought. Here are just a few of the highlights they shared about the decisions they made:

- **Limits:** Based on strategies covered in CAP, Patrick’s parents stated they were limiting the total contribution toward college to **\$80,000**, and if he spent less than that, they would give him the difference.
- **Costs:** Patrick then re-evaluated the ‘True Cost,’ fees, scholarships, CLEP, and other ways to cut expenses for the four schools, as well as many others.
- **Career:** He changed his major once he found that one of his two career choices was not expected to grow in the future, and the other didn’t pay enough long-term to make college worthwhile. He settled on accounting.
- **Disqualified Schools:** Patrick eliminated all four schools on his original list for one or more of the following reasons: They were on the HCM List, too expensive, took students 6 years or more to graduate, the graduation rate was less than 50%, the school’s ROI was low, or the 3-year Cohort Default Rate was high.
- **Personal ROI:** After calculating his personal ROI, he also realized going out of state could mean paying an *extra* **\$400/month** over 10 years in student loans just to go where some of his friends were going. He elected to go in-state.
- **SAT:** After learning how some schools set students up to fail based on their SAT scores, he identified a State University where he had a better chance to graduate with honors.
- **Final Decision:** Patrick finally settled on obtaining his Associate Degree at a local Community College, then transferring to a State University with a very good reputation in his career field. After exploring multiple money-saving options, he is estimating his total cost for college will be roughly **\$60,000 – \$68,000**. He has also started applying for numerous Scholarships to reduce that cost, and hopes to save an additional **\$5,000** or more each year through Scholarships.



**Conclusion:** Patrick felt the 15 hours he spent on the process of creating his personal *College Action Plan* was extremely eye-opening since many of the factors that went into his decision were ones he never would have explored had his parents not set limits.

His parents stated that their estimated savings could be well over **\$100,000**, and Patrick is so much more committed to his long-term future than he was prior to going through the CAP System™ process. See Patrick’s [College Action Plan](#) (as it currently stands).



## Case Study #2: Becky

Becky's single mother, Jill, is a Veteran and a successful C-Suite executive with a pharmaceutical company. She hopes to work with an advisor to create a long-term plan for retirement, but after a recent financial setback, her support will be much less than she had originally planned for Becky's schooling. She subscribed to the **CAP System™** to help them find ways to cut college costs.

Here are just a few of the transitions they shared as they completed the process.

- **Career:** Becky originally planned to obtain a Marketing degree, but after going through the CAP System™ – and completing a Mentorship program in Science (a strategy she learned in CAP) – she switched majors to Science Research.
- **College Selection:** Becky initially selected 4 or 5 out-of-state schools where her friends were going, but after researching the costs, non-resident fees, and extra travel expenses, she switched her focus to in-state schools located within 100 miles of home.
- **Elimination:** She ultimately eliminated several 'good' schools for one or more of the following reasons: High tuition costs, they were on the HCM List, showed high debt levels for recent grads, low financial aid levels, poor graduation rates, higher-than-average fees, only offered distance learning (no science labs), or failed to exhibit a strong track record in the STEM field.
- **Veteran Benefits:** After completing her original *College Action Plan*, Becky has since revised it to identify schools and other resources that help Veteran dependents cut costs and qualify for even more financial aid.
- **ROI:** After scholarships (she's applying to more than 10, and will continue to do so every year), Veteran assistance, the GI Bill support, utilizing CLEP and other money-saving strategies, Becky has narrowed her search down to two good in-state schools. She should easily be able to repay her student loan debt if she graduates in 4 years, which is the average for students in both schools.



Becky's most recent version of her *College Action Plan* shows little of the journey she and her mother went through to arrive at the decisions they made, but both strongly stated it was an invaluable process.

Not only is Becky excited to make her final decision over the next few months, but her mother feels she will save a minimum of **\$16,000/year** over the next four years, which will help her stay on track for retirement.

Here's Becky's current [College Action Plan](#).

### Case Study #3: Jacob

Jacob's parent's story is one of thousands of positive examples we've heard from those who attended LFE's workshops over the past decades. One strategy that is now in the CAP System™ has been incredibly popular with parents, as well as their advisors.

It opens the discussion of limiting the total contribution parents or grandparents will make toward college. It might be in the number of years they'll contribute, or the total amount they'll provide. This contribution not only includes any savings they may use, but the total amount they'll co-sign for student loans. We often don't hear the final results of this strategy until the students graduate, and since the CAP System™ is too new to have current stories, we thought you might find one family's story from five years ago helpful.

Jacob's parents worked hard to save **\$140,000** in a 529 Plan for each of their 3 children, and had originally planned to make the entire amount available to each student ... before they learned the benefits of setting limits in the CAP System™.

After discussing options with their advisor, they elected to limit the total each student can spend in their 529 Plan to **\$95,000**. If they want to attend schools that cost more, or take longer than anticipated to graduate, his parents will not co-sign any loans. Utilizing many of the money-saving strategies covered in the CAP System™, all 3 children either have already or are completing college at or under **\$95,000**.

Setting limits will ultimately allow Jacob's parents to use an additional **\$78,000** (after taxes and penalty) for their retirement goals. It has helped Jacob and his siblings take more responsibly for their college decisions, and has been a win-win strategy for Jacob's parents ... and their advisor!

