2021
College Planning
Helping Families Re-imagine College

Client Case Studies
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 the 1st digital educational tool that guides students and parents through a series of 58 questions, highlights costly mistakes to avoid, and gives them instant access to dozens of the latest digital resources to assist in arriving at the best decisions for them. Its purpose is to educate, not advise.

After hearing thousands of college-related financial horror stories, we saw the need to create an inclusive resource that enlightens, educates, and empowers students – and the parents and grandparents who support them – when making life-changing college decisions. It also identifies the growing number of exciting new low-cost alternatives, options, and opportunities to consider as they navigate today’s complex college landscape.

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 strategies to protect their financial security.

The ‘outcome’ is the student’s unique College Action Plan (CAP), which becomes a personal ‘Game Plan’ for their academic life.

CAP was designed to help all students – regardless of their age, income level, or ethnic background – so here are four examples from very different clients who shared their stories (after adhering to their requests to edit their personal details and comments). We hope they will inspire you to open your mind to exciting new opportunities as you explore this critical step toward a brighter financial future.

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**Case Study #1: Patrick**

This family is 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.
Case Study #2: Becky

Becky’s single mother, Jill, is a Veteran and is now an executive with a pharmaceutical company. She has been saving pretty aggressively for college for her daughter, as well as retirement for herself. However, after a recent financial setback due to COVID, she feels it’s only prudent to limit the support she will be able to provide 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.
Faiza's family came to America six years ago to help their children have an opportunity for a better financial future. As a first-generation college student, Faiza found the college process very overwhelming here in the U.S. While her school counselor tried to help, her family still felt unprepared for all the decisions they were making about which career fields were best, and what school she should attend.

As an average middle-income family with little saved for college, Faiza will qualify for some financial aid, but could also end up with significant student loan debt. She applied to multiple schools where her friends were going and had already been accepted at four of them when her parents heard about the CAP System. The out-of-pocket costs were going to be $90,000 to $148,000 for her degree ... if she graduates in four years.

She altered her original plans after completing the 5-Step process in CAP. Here is a simple recap of her decisions:

- **College Marketing Campaign:** Three of the four schools aggressively pursued Faiza. Several students in her graduating class responded to the college marketing campaigns by registering to attend in the coming year. However, when Faiza accessed the resources in CAP, she learned that none of the three were going to be the best choice for her. One is in serious financial trouble and may close before she graduates, another has a high rate of student loan debt for new grads, and the 3rd has a graduation rate of only 26%.

- **Career Options:** Faiza was not sure what to select as a major, so the 4th school suggested she enter with an undeclared major. They stated that more than 60% of their students use that strategy to ensure they have the flexibility to explore their options. After completing CAP, she realized that committing almost $30,000/year was an expensive way to ‘find’ the best career field for her ... especially when not having a Plan in place could take an additional 1-2 years to obtain her degree.

- **Limits:** After reviewing the **12-Point Plan for Parents**, Faiza’s parents stated they would only co-sign a total of $30,000 in student loans. This, in addition to the other data she had already gathered (above), immediately motivated Faiza to opt to attend a well-respected community college for her first two years. She plans to access the resources and utilize the strategies covered in CAP to identify the best career field while obtaining her AA degree.

**Conclusion:** Faiza and her parents stated that completing CAP provided an invaluable education on the college process today. It helped her focus on priorities, separate sales pitches from documented data, and estimates she will eventually save somewhere between $45,000 - $60,000 to obtain her degree.
Case Study #4: 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 two decades. This strategy is now in the CAP System™.

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 (just one of the many money-saving strategies covered 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. Currently, 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 the taxes and penalties they’ll pay for withdrawing these funds from a tax-advantaged educational savings plan) for their retirement goals. It has helped Jacob and his siblings take more responsibly for their college decisions, and provided a stronger financial future for their parents.