



College Pre-Approval™

know before you go

HOPE IS
NOT A
STRATEGY



capstone

COLLEGE PARTNERS

End the student loan crisis one family at a time

Raise the bar in college funding advice

Empower financial advisors with College Pre-Approval™

XYPLANNING
NETWORK

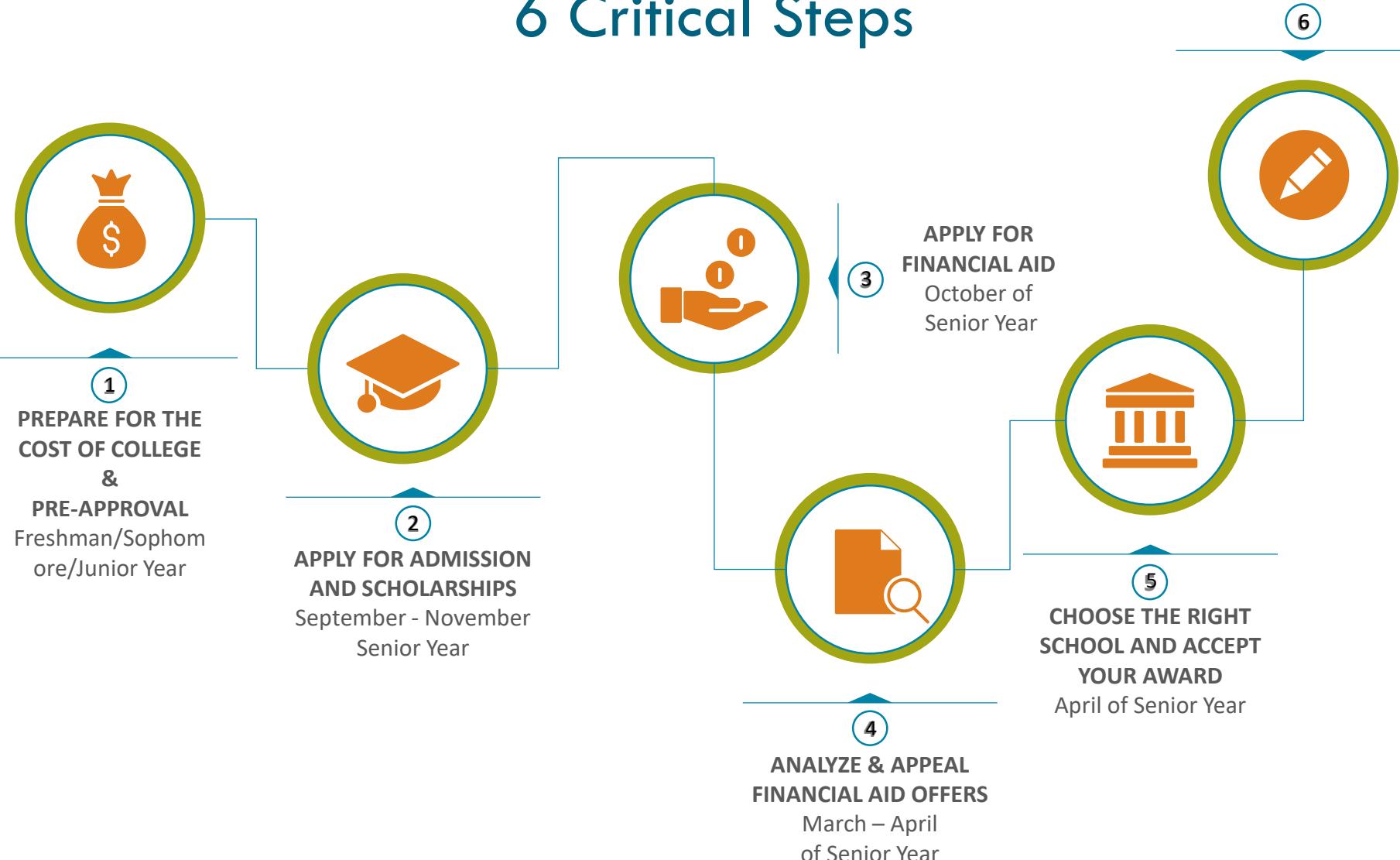
Bloomberg

FA
FINANCIAL ADVISOR

Journal of
Financial Planning

College Pre-Approval™ 6 Critical Steps

EVALUATE OPTIONS TO
COVER THE SHORTFALL
May of Senior Year



Projected cost of college

assuming 6% annual increase

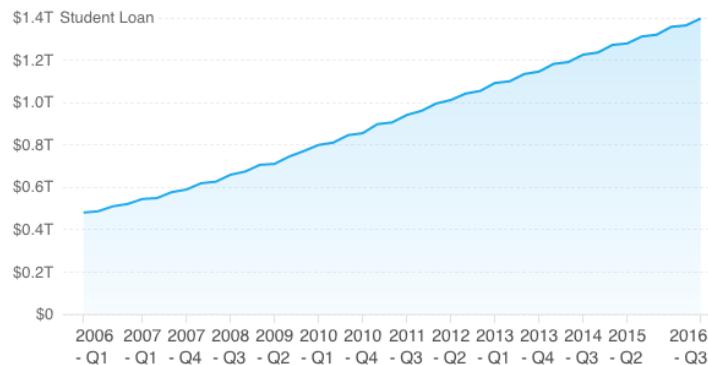
Year	4 Yr Public (In-State)	4 Yr Private
2017	\$25,000	\$50,000
2018	\$26,500	\$53,000
2019	\$28,090	\$56,180
2020	\$29,775	\$59,550
2021	\$31,561	\$63,124
2022	\$33,455	\$66,911
2023	\$35,463	\$70,926
2024	\$37,590	\$75,182
2025	\$39,846	\$79,692
2026	\$42,237	\$84,474
2027	\$44,771	\$89,542
2028	\$47,457	\$94,915
2029	\$50,304	\$100,609



Current Student Loan Debt: **\$1,424,982,785,685**

Student Loan Debt

Household Debt



The current student debt amount is rising at a rate of \$2,701 per second. This number is estimated by calculating the per second change in student debt from Q1 2006 to Q3 2016 using debt data from the Federal Reserve (not seasonally adjusted).

Source: Federal Reserve. As of January 2017. [Show details](#) ▾

[See more details](#) ▾

GRAPHIQ

- › 510% increase over the last 10 years
- › \$2,701 per second

2016 Grad Class Student Loan Crisis

- › 7 in 10 graduates have student loans
- › \$37,000 on average
- › \$370/month pmt over 10 years

Mortgage Pre-Approval



Mortgage Pre-Approval



3 Step Process



Determine **personal resources** available

- › (529, grandparent help, cash flow, etc.)

Establish **Maximum Student Loan**

- › Total Loans < 1st Year Starting Salary

Shop for schools within your budget

- › **Net Cost** after aid (need and/or merit)

The 1 Page College Funding Plan

COLLEGE PRE-APPROVAL™ 1 Page College Funding Plan (Sample)

PARENT RESOURCES

529 Savings	\$25,000
Other Assets	\$3,000
Monthly Cash Flow (<u>\$400</u> x 48 months)	\$19,200
Annual American Opportunity Tax Credit (\$10,000 Max over 4 years)	\$10,000
TOTAL PARENT RESOURCES (A)	\$57,200

TOTALS

(A) PARENT RESOURCES	\$57,200
(B) PARENT LOANS	\$0
(C) STUDENT RESOURCES	\$9,600
(D) STUDENT LOANS	\$27,000
(E) OTHER HELP	\$5,000
Your 4 Year Pre-Approval Amount	\$98,800

PARENT LOANS

PARENT PLUS / PRIVATE LOANS (B)	\$0
---------------------------------	-----

STUDENT RESOURCES

Student Savings (UTMA, Savings, etc.)	\$0
Monthly Workstudy / PT Job (\$200 x 48 months)	\$9,600
TOTAL STUDENT RESOURCES (C)	\$9,600

STUDENT PLANS

Anticipated Major / Career	Education
Average Starting Salary = Max Loan	\$36,557

STUDENT LOANS

Student Stafford Loans (\$27,000 Max over 4 years)	\$27,000
Private Student Loans	
TOTAL STUDENT LOANS (D)	\$27,000

Average Starting Salary By Discipline*

Computer Science	\$71,916
Engineering	\$64,981
Math & Statistics	\$59,727
Business	\$52,047
Health Sciences	\$50,124
Communications	\$48,253
Education	\$36,557
Overall	\$50,219



College Pre-Approval™
know before you go

*National Association of Colleges and Employers
Class of 2016 undergrad salary survey

What you need to pay for!	Year 1	Year 2	Year 3	Year 4	TOTAL
Self Help	\$5,500				
Unmet Cost	\$31,168				
TRUE NET COST TO ATTEND	\$36,668	\$39,001	\$41,451	\$44,024	\$161,145

How you're going to Pay for it!

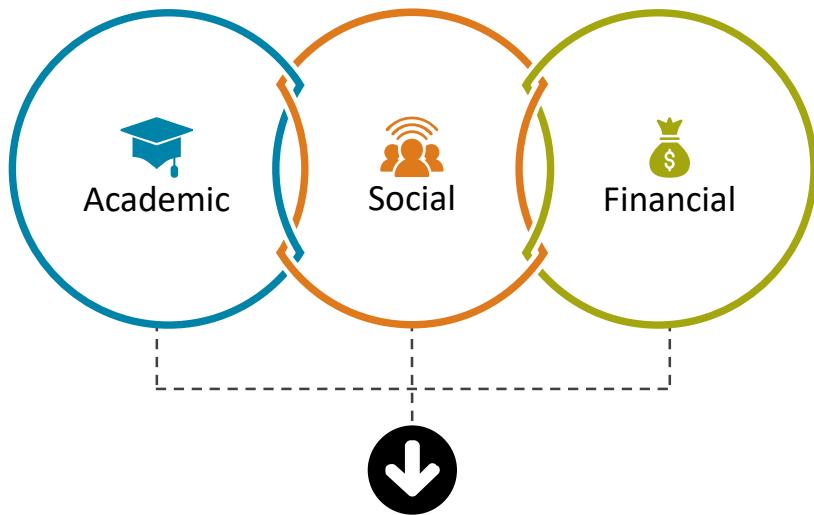
Private Scholarship	\$0	\$0	\$0	\$0	\$0
Parent Cashflow	\$4,800	\$4,800	\$4,800	\$4,800	\$19,200
Workstudy	\$0	\$0	\$0	\$0	\$0
American Education Oppy Credit	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
529	\$6,250	\$6,250	\$6,250	\$6,250	\$25,000
Other Assets	\$3,000	\$0	\$0	\$0	\$3,000
Grandparent/Family Help	\$5,000	\$0	\$0	\$0	\$5,000
Perkins Loan	\$0	\$0	\$0	\$0	\$0
Subsidized Student Stafford Loans	\$0	\$0	\$0	\$0	\$0
Unsubsidized Student Stafford Loans	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/Student Loan For Difference	\$9,618	\$18,951	\$20,401	\$22,974	\$71,945
COLLEGE FUNDING COMPLETE	\$36,668	\$39,001	\$41,451	\$44,024	\$161,145

Total Loans

	TOTAL LOANS				
Perkins Loans	\$0	\$0	\$0	\$0	\$0
Subsidized Stafford (Self Help)	\$0	\$0	\$0	\$0	\$0
Unsubsidized Stafford	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/ Student Loan	\$9,618	\$18,951	\$20,401	\$22,974	\$71,945
	\$15,118	\$25,451	\$27,901	\$30,474	\$98,945

# of Years	Int. Rate	Monthly Pmt	Total Repayment
10	6%	-\$1,093	-\$131,163.15
25	6%	-\$634	-\$190,299.54

College is a business.



Top 25% = \$\$\$



Know Graduation Rates*

- › Public Colleges
 - › **44.1%** within 4 years
 - › **59.3%** within 6 years
- › Private Colleges
 - › **52.8%** within 4 years
 - › **65.4%** within 6 years



Know the value of the degree and major



Know internship and job placement opportunities



Know how financial aid is awarded

- › collegescorecard.ed.gov
- › collegeboard.org
- › collegedata.com

*National Center for Education(NCES) Statistics for 2013 cohort (for all 4 year institutions)

Financial Aid

MERIT-BASED	HOW IS IT AWARDED?	NEED-BASED	HOW IS IT AWARDED?
Scholarships awarded to recognize outstanding academic performance, talents or leadership.	Gift Aid = Scholarships	Awarded to those who demonstrate financial need.	Gift Aid = Scholarships & Grants Self Help = Student Loans & Work Study

Financial Aid

What type of family are you?

1
High Merit/ Low Need



3
High Merit/ High Need

2
Low Merit/ Low Need

4
Low Merit/ High Need

How can you cut the cost of college?



Need-based financial aid



- › College Cost of \$50,000 – EFC (\$20,000) = \$30,000 of need
- › College Cost of \$20,000 – EFC (\$20,000) = \$0 of need

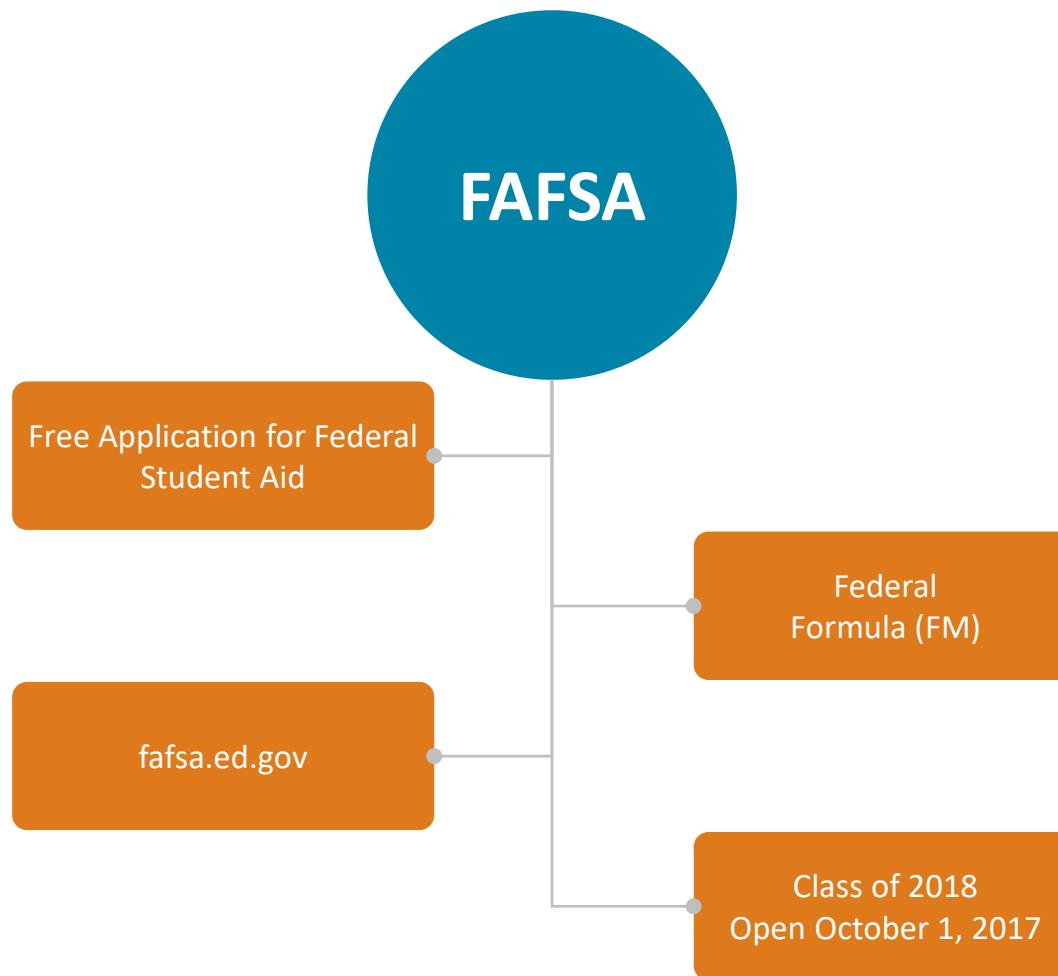
- › EFC split when multiple children are in school
 - › $\$20,000(\text{EFC}) / 2 \text{ College Students} = \$10,000 \text{ Each}$

Know before you go!

- ➔ Get your EFC today
 - › www.collegeboard.org
 - › www.collegedata.com

- ➔ Net Price Calculators

Financial Aid Application



Financial Aid for the Class of 2018 +

Financial Aid for class of 2018	
College Begins	Fall 2018
College Admission Applications	Fall 2017 (Apply by Nov. 1st)
FAFSA Available	October 1, 2017 (File by Nov. 1 st)
Tax Year Figures Used (Base Year)	2016 (Prior, prior year)
Asset Figures Used	As of the day you file

FAFSA EFC Formula

Category	Calculation	%	Totals
Parent Assets	- Asset Allowance	X 5.64%	Parent Contribution from Assets
Student Assets	-Nothing	X 20%	Student Contribution from Assets +
Parent Income	-Taxes & Living Allowance	X 22% to 47%	Parent Contribution from Income +
Student Income	- Taxes & \$6,350 Allowance	X 50%	Student Contribution from Income +
			= EFC

What is assessable on FAFSA?

Assessable Assets	Non Assessable Assets
Cash	Traditional IRA
+529 Savings Plans (all children)	Roth IRA
+Coverdell ESA	401(k), 403(b), 457
+Mutual Funds	Pension
+Bonds	Annuity
+Stocks	Cash Value Life Insurance
+Rental Real Estate (equity)	Home Equity
+Vacation Properties (equity)	Small Business
=TOTAL ASSESSABLE ASSETS	

Table A5: Parents' Education Savings and Asset Protection Allowance
for EFC Formula A Worksheet (parents only)

<i>Age of older parent as of 12/31/2017*</i>	<i>Allowance if there are two parents**</i>	<i>Allowance if there is only one parent</i>	<i>Age of older parent as of 12/31/2017*</i>	<i>Allowance if there are two parents**</i>	<i>Allowance if there is only one parent</i>
25 or less	\$0	\$0	46	\$19,300	\$10,900
26	1,100	600	47	19,800	11,200
27	2,200	1,300	48	20,200	11,400
28	3,400	1,900	49	20,700	11,700
29	4,500	2,600	50	21,200	12,000
30	5,600	3,200	51	21,700	12,200
31	6,700	3,800	52	22,400	12,500
32	7,800	4,500	53	22,900	12,800
33	9,000	5,100	54	23,600	13,200
34	10,100	5,800	55	24,100	13,500
35	11,200	6,400	56	24,800	13,800
36	12,300	7,000	57	25,600	14,100
37	13,400	7,700	58	26,200	14,500
38	14,600	8,300	59	26,900	14,900
39	15,700	9,000	60	27,700	15,200
40	16,800	9,600	61	28,500	15,600
41	17,100	9,800	62	29,300	16,000
42	17,500	10,000	63	30,100	16,400
43	17,900	10,200	64	31,100	16,900
44	18,400	10,500	65 or older	31,900	17,300
45	18,800	10,700			

* Determine the age of the older parent listed in FAFSA/SAR #64 and #68 as of 12/31/2017.
 If no parent date of birth is provided, use age 45.

** Use the two parent allowance when the Parents' Marital Status listed in FAFSA/SAR #59 is "married or remarried" or "unmarried and both parents are living together."

FAFSA EFC based Solely on MFJ AGI and Number of Dependent Children in your home

AGI	One Dependent	Two	Three	Four
\$50,000	\$4,004	\$3,081	\$2,808	\$1,934
\$75,000	\$10,455	\$8,719	\$7,380	\$6,044
\$100,000	\$18,731	\$17,168	\$15,740	\$13,989
\$125,000	\$25,677	\$24,165	\$22,330	\$20,635
\$150,000	\$33,967	\$31,933	\$30,035	\$28,340
\$175,000	\$41,802	\$39,819	\$37,973	\$35,512
\$200,000	\$49,598	\$47,615	\$45,374	\$42,779
\$225,000	\$57,535	\$55,109	\$52,782	\$50,188

*EFC Guide 2016-17

Adjusted Available Income - FAFSA

AGI (Line 37 of 1040)

+ Retirement Plan Contributions

+ HSA Contributions

+ Child Support Received

+ Other untaxed Income

= Enhanced AGI

Enhanced AGI

- Income Protection Allowance

- Federal, State, and FICA Taxes

Adjusted Available Income (AAI) (Apply to Table A6)

SOCIAL SECURITY TAX WILL NEVER BE LESS THAN ZERO.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #73)	Number of college students in the household (FAFSA/SAR #74)				
	1	2	3	4	5
2	\$17,910	\$14,840	not applicable	not applicable	not applicable
3	\$22,300	\$19,250	\$16,190	not applicable	not applicable
4	\$27,540	\$24,480	\$21,430	\$18,360	not applicable
5	\$32,490	\$29,430	\$26,380	\$23,320	\$20,270
6	\$38,010	\$34,940	\$31,900	\$28,830	\$25,790

Note: For each additional family member, add \$4,290.

For each additional college student (except parents), subtract \$3,050.

**Table A4: Business/Farm Net Worth Adjustment
for EFC Formula A Worksheet (parents only)**

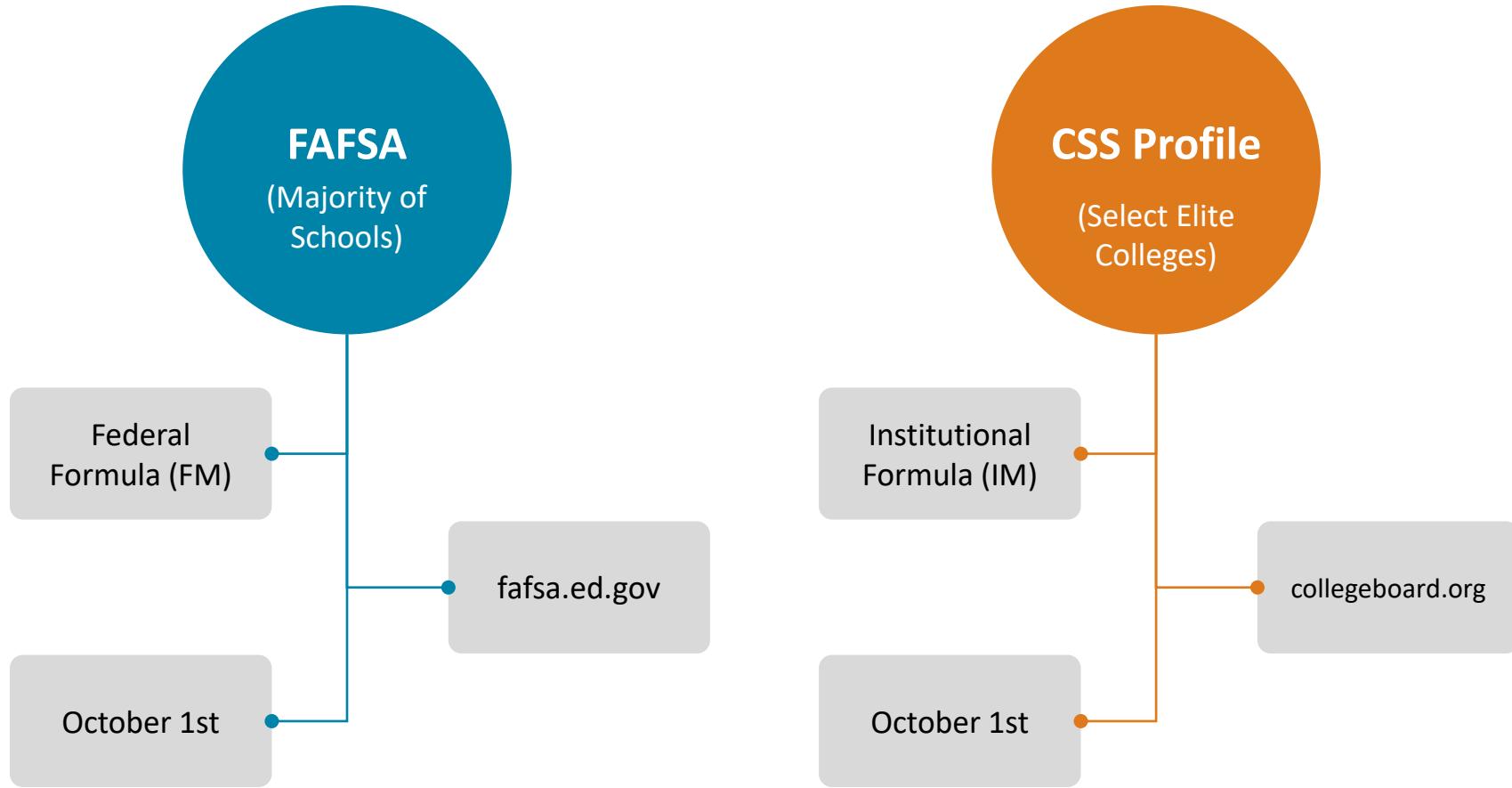
Table A6: Parents' Contribution from AAI

If the parents' AAI—	Then the parents' contribution from AAI is—
Less than -\$3,409	-\$750
\$-3,409 to \$16,000	22% of AAI
\$16,001 to \$20,100	\$3,520 + 25% of AAI over \$16,000
\$20,101 to \$24,200	\$4,545 + 29% of AAI over \$20,100
\$24,201 to \$28,300	\$5,734 + 34% of AAI over \$24,200
\$28,301 to \$32,300	\$7,128 + 40% of AAI over \$28,300
\$32,301 or more	\$8,728 + 47% of AAI over \$32,300

FAFSA EFC - DIY Worksheet

PARENT ASSETS		CALCULATION		ASSESSMENT RATE		TOTAL	
Checking & Savings 529	\$25,000	Assessable Parent Assets (-) Asset Protection Allowance	\$100,000	\$68,200	x 5.64%	\$3,846	
	\$36,000		\$31,800				
	\$29,000						
	\$10,000						
\$100,000		Total Assessable Parent Assets					
STUDENT ASSETS		CALCULATION		ASSESSMENT RATE		TOTAL	
Checking & Savings UTMA	\$2,000	Assessable Student Assets (-) No Allowance	\$12,000	\$12,000	x 20%	\$2,400	
	\$10,000		\$0				
	\$0						
	\$0						
\$12,000		Total Assessable Student Assets					
PARENT INCOME*		CALCULATION		ASSESSMENT RATE		TOTAL	
Parent AGI Parent Contribution*	\$150,000	Total Parent Income (-) Taxes & Living Allowance	See Chart	Total	x 22 to 47%	\$31,933	
	\$31,933		See Chart				
*See EFC Quick Reference Table		Total Available Income (AI)					
STUDENT INCOME		CALCULATION		ASSESSMENT RATE		TOTAL	
\$2,400		Total Student Income (-) Income Protection Allowance & Taxes	\$2,400	-\$3,910	x 50% *	\$0	
			\$6,310				
		Total Available Income (AI)					
		Your EFC		\$38,178			

Financial Aid - Applications and Formulas



568 Presidents Group

Need-Based Aid

Simplicity

Greater Clarity

568 Presidents Group

Paying for College
Need Blind Equity
Access Financial Aid
Consensus Methodology
Fairness

568 Presidents Group Member Institutions

Amherst College	Massachusetts Institute of Technology
Boston College	Middlebury College
Claremont McKenna College	Northwestern University
College of the Holy Cross	Pomona College
Columbia University	Rice University
Cornell University	St. John's College
Dartmouth College	Swarthmore College
Davidson College	University of Notre Dame
Duke University	University of Pennsylvania
Georgetown University	Vanderbilt University
Grinnell College	Wellesley College
Haverford College	Williams College

9 Key Differences in FM & IM & CM

	FAFSA (FM)	CSS Profile (IM)	Consensus (CM)
Asset protection allowance	Yes	No	No
Cash, Mutual Funds, 529	5.64%	5%	5%
Small Business	100 + EE's	Yes	Yes
Non-Qualified Annuity	0%	5%	5%
Home Equity	0%	Varies	Max 120% of Income
Asset in students name	20%	25%	5%
Assets in siblings' names	0%	5%	5%
Non custodial parent resources	0%	Varies	Yes

IM vs CM

School Name

Carnegie Mellon

EFC method used by School		Institutional Method
Estimated COA -		\$68,452
EFC		\$71,000
Demonstrated Financial Need		0
Self Help Awarded		\$0
Gift Aid Awarded		\$0
Total Financial Aid Awarded		\$0
Projected Cost/Financial Aid		
Unmet Cost +		\$68,452
Self Help Awarded		\$0
<i>Total Family Contribution</i>		\$68,452

School Name

MIT

EFC method used by School		Consensus Method
Estimated COA -		\$65,478
EFC		\$50,100
Demonstrated Financial Need		\$15,378
Self Help Awarded		\$2,500
Gift Aid Awarded		\$12,878
Total Financial Aid Awarded		\$15,738
Projected Cost/Financial Aid		
Unmet Cost +		\$52,600
Self Help Awarded		\$2,500
<i>Total Family Contribution</i>		\$55,100

CASE STUDY – EFC Enhancement

1. Student will qualify for need-based aid of \$10,000
(\$45,000 COA – \$35,000 EFC = \$10,000)
2. Student has \$10,000 in a UTMA/UGMA
3. Parents have \$65,000 in savings and investments in taxable accounts
4. Parents have credit card debt of \$10,000 making a payment of \$200/month and an interest rate of 15%.

FAFSA EFC ENHANCEMENT

- **Reduce EFC and Increase Aid eligibility**
 - **Pay off credit card** with \$10,000 of cash
 - Saves approximately \$1,500 in interest per year
 - **Fund Roth IRA** for each parent for 2 years = \$22,000 (\$5500 each per year)
 - Combined these two strategies **reduce the parents reportable assets by \$32,000** per year and increases aid eligibility by **\$1,804 per year (\$7,216 over 4 years)**
- **Convert UTMA to a UTMA 529**
 - Reduces student's reportable assets by \$10,000, treated as parent's assets
 - Therefore **increases aid eligibility by 14.36%** of \$10,000, or **\$1436 per year (\$5,744 over 4 years)**

FAFSA EFC ENHANCEMENT

1. ENHANCED EFC

Old EFC ($\$45,000 \text{ COA} - \$35,000 \text{ EFC} = \$10,000 \text{ need}$)

New EFC ($\$45,000 \text{ COA} - \$31,760 \text{ EFC} = \$13,240 \text{ need}$)

\$12,960 = 4 year increased aid eligibility

2. SMART MONEY MOVE

\$0 in credit card debt

\$2,400/year increased cash flow that can be applied to college funding

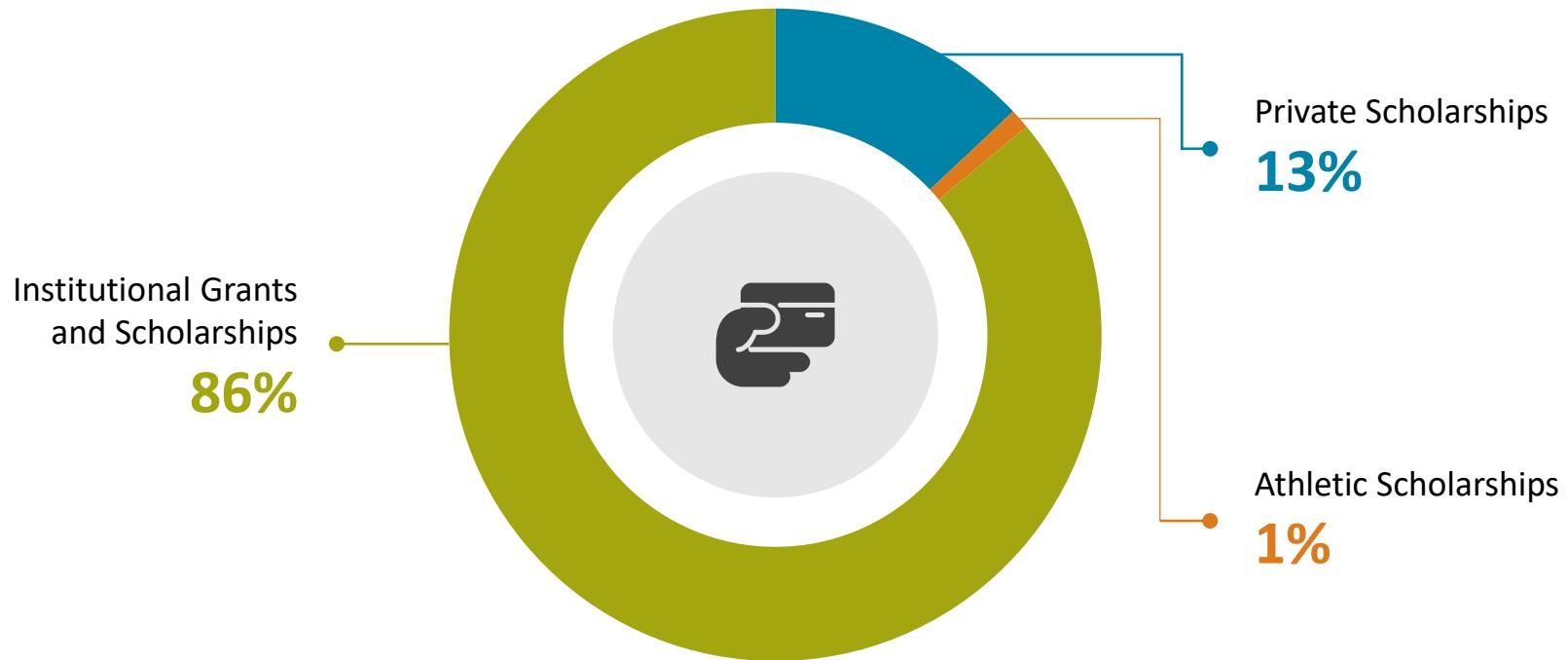
\$1,500 saved in interest per year (**\$6,000** over 4 years)

How can you cut the cost of college?



What about scholarships?

Scholarships paid for 31% (\$155 Billion) of the total cost of education

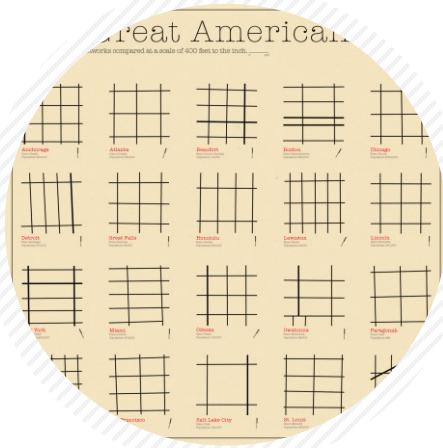


**How America Pays for College 2014 Sallie Mae*

Merit Aid = Gift Aid Institutional Scholarships



Competitive



Grid/Automatic



Package

University of Alabama

Grid/Automatic



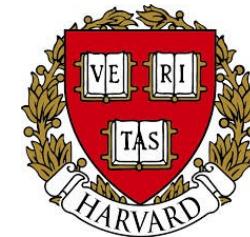
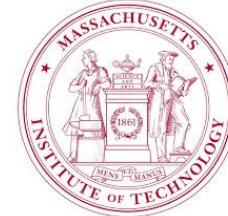
ACT Score (+3.5 GPA)	Per Year Award	Four Year Award
27	\$3,500	\$14,000
28	\$4,000	\$16,000
29	\$13,000	\$52,000
30-31	\$17,976	\$71,906
32-36	\$26,950	\$107,800

Merit vs. Need based financial aid policy

Merit Based Aid



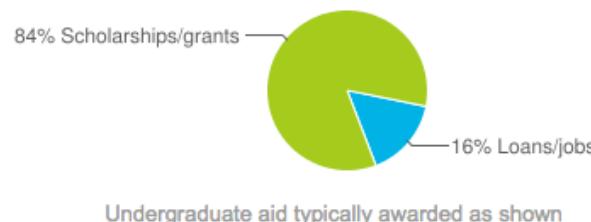
100% of Need Met



www.collegedata.com

University of Denver (\$65,356) – College Board

Financial Aid Distribution

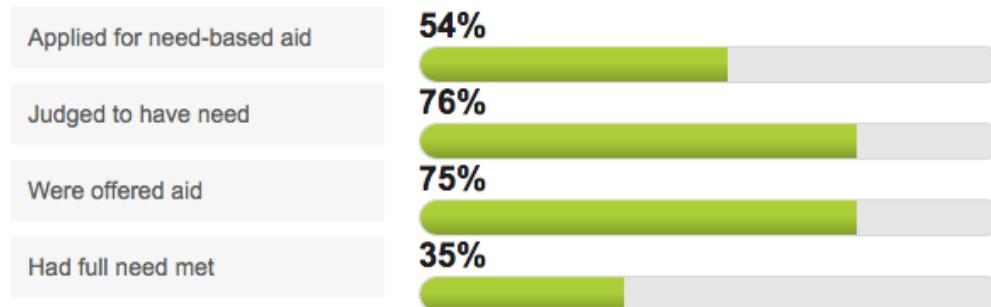


84%
% of need met

99%
% of freshmen with
need who received
financial aid

\$37,209
Average 1st year financial aid
package
Financial aid can include grants,
loans, scholarships and work-
study jobs. Every student's
financial aid package varies
depending on individual
circumstances.

Financial Aid Stats for All Undergraduates



\$3,347

Avg need-based loan

\$30,469

Avg need-based scholarship or grant award

\$19,861

Avg non need-based aid

Basic criteria used to determine aid from this school:

This school practices need-blind admissions. [?](#)

Non need-based aid determined by: [?](#)

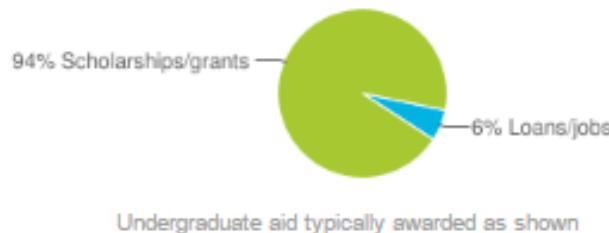
- Academics
- Art

Need-based aid determined by: [?](#)

- Academics
- Art

Yale University (\$68,950) – College Board

Financial Aid Distribution



100%
% of need met

100%
% of freshmen with
need who received
financial aid

\$52,016
Average 1st year financial aid
package

Financial aid can include grants,
loans, scholarships and work-study
jobs. Every student's financial aid
package varies depending on
individual circumstances.

Financial Aid Stats for All Undergraduates

Applied for need-based aid

53%

Judged to have need

93%

Were offered aid

93%

Had full need met

100%

\$2,266

Avg need-based loan

\$50,359

Avg need-based scholarship or grant award

\$0

Avg non need-based aid

Work Study Programs:

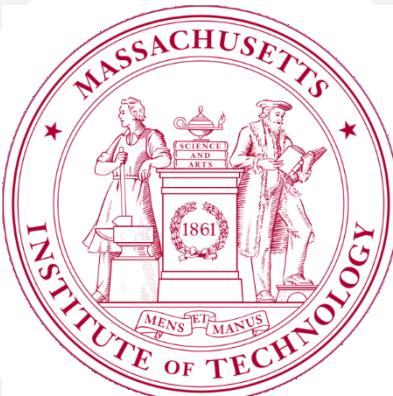
This school offers the following work study options:

- Nights
- Weekends

Net cost is all that matters – High Need

	In State U	Private U
Cost of Attendance	\$25,000	\$52,000
EFC	\$10,000	\$10,000
Need Eligibility	\$15,000	\$42,000
% of Need Met	53%	100%
Gift Aid	\$1,000	\$35,000
Self Help (loan/worksudy)	\$7,000	\$7,000
Total Aid	\$8,000	\$42,000
Unmet Need	\$7,000	0
Annual Net Cost	\$17,000	\$10,000

Net Cost is all that matters – No Need



EFC	=	\$75,000
Cost of Attendance	=	\$63,250
Need Eligible	=	\$0
Merit Scholarship	=	\$0
<i>Net Cost To Attend</i>	=	\$63,250
<i>4 year Total Cost</i>	=	\$253,000

EFC	=	\$75,000
Cost of Attendance	=	\$59,634
Need Eligible	=	\$0
Merit Scholarship	=	\$20,000
<i>Net Cost To Attend</i>	=	\$39,634
<i>4 year Total Cost</i>	=	\$158,536

Analyze and Appeal



BEFORE

EFC	=	\$75,000
Cost of Attendance	=	\$59,634
Need Eligible	=	\$0
Merit Scholarship	=	\$20,000
Net Cost To Attend	=	\$39,634
4 year Total Cost	=	\$158,536

AFTER

EFC	=	\$75,000
Cost of Attendance	=	\$59,634
Need Eligible	=	\$0
Merit Scholarship	=	\$25,000
Net Cost To Attend	=	\$34,634
4 year Total Cost	=	\$138,536

The 1 Page College Funding Plan

COLLEGE PRE-APPROVAL™ Worksheet (Sample)			
PARENT RESOURCES		TOTALS	
529 Savings	\$25,000	(A) PARENT RESOURCES	\$57,200
Other Assets	\$3,000	(B) PARENT LOANS	\$0
Monthly Cash Flow (\$400 x 48 months)	\$19,200	(C) STUDENT RESOURCES	\$9,600
Annual American Opportunity Tax Credit (\$10,000 Max over 4 years)	\$10,000	(D) STUDENT LOANS	\$27,000
TOTAL PARENT RESOURCES (A)	\$57,200	(E) OTHER HELP	\$5,000
PARENT LOANS		Your 4 Year Pre-Approval Amount	
PARENT PLUS / PRIVATE LOANS (B)	\$0	\$98,800	
STUDENT RESOURCES		STUDENT PLANS	
Student Savings (UTMA, Savings, etc.)	\$0	Anticipated Major / Career	Education
Monthly Workstudy / PT Job (\$200 x 48 months)	\$9,600	Average Starting Salary = Max Loan	\$40,267
TOTAL STUDENT RESOURCES (C)	\$9,600	Average Starting Salary By Discipline*	
STUDENT LOANS		Engineering	\$62,891
Student Stafford Loans (\$27,000 Max over 4 years)	\$27,000	Computer Science	\$62,103
Private Student Loans		Business	\$57,229
TOTAL STUDENT LOANS (D)	\$27,000	Communications	\$48,253
OTHER HELP		Math & Sciences	\$44,299
GRANDPARENT / FAMILY HELP (E)	\$5,000	Education	\$40,267
		Humanities & Social Sciences	\$38,049
		Overall	\$48,707
 College Pre-Approval™ <i>know before you go</i>		<small>*Nation Association of Colleges and Employers</small> <small>Class of 2014 salary survey</small>	



College Pre-Approval™

know before you go

*National Association of Colleges and Employers

Class of 2014 salary survey

2017-2018 FINANCIAL AID AWARD LETTER

Your Estimated Cost of Attendance	
Tuition and Fees	\$11,174
Room and Board	\$8,898
BGSU Direct Cost	\$20,072
Books and Supplies	\$1,010
Personal and Transportation	\$3,644
BGSU Indirect Cost	\$4,654
BGSU Estimated Cost of Attendance	\$24,726

Your Estimated Grants and Scholarships	
BGSU Grants and Scholarships	
Univ Freshman Acad Schp 4000	\$4,000
State Aid	
Technology Works Grant	\$5,000
Total Grants and Scholarships	\$9,000
Net Cost After Grants and Scholarships	\$15,726

Your Estimated Eligibility for Other Aid Programs	
Loans	
Federal Subsidized Loan	\$566
Federal Unsubsidized Loan	\$4,934
Total Loans	\$5,500
Remaining Cost After Financial Aid	\$10,226

Additional Financing Resources	
PLUS Loan (Parent Loan)	\$10,226

An additional application is required if you are interested in a PLUS Loan.

Remaining Cost After Other Resources	\$0
---	------------

Net Cost Comparison

School Name	Cost of Attendance	Projected four-year total cost
Illinois	\$46,668	\$201,145

Projected Annual Costs

Calendar Year	Projected Annual COA
2016	\$46,668
2017	\$49,001
2018	\$51,451
2019	\$54,024

***Projected Four Year Total Cost \$201,145**

*assumes 5% annual increase

EFC method used by School	Federal Methodology
Estimated COA -	\$46,668
EFC	\$53,000
Demonstrated Financial Need	\$0

Self Help Awarded	\$5,500
Gift Aid Awarded	\$10,000
Total Financial Aid Awarded	\$15,500

Projected Cost/Financial Aid	
Unmet Cost +	\$31,168
Self Help Awarded	\$5,500
<i>Total Family Contribution</i>	\$36,668

What you need to pay for!	Year 1	Year 2	Year 3	Year 4	TOTAL
Self Help	\$5,500				
Unmet Cost	\$31,168				
TRUE NET COST TO ATTEND	\$36,668	\$39,001	\$41,451	\$44,024	\$161,145

How you're going to Pay for it!

Private Scholarship	\$0	\$0	\$0	\$0	\$0
Parent Cashflow	\$4,800	\$4,800	\$4,800	\$4,800	\$19,200
Workstudy	\$0	\$0	\$0	\$0	\$0
American Education Oppy Credit	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
529	\$6,250	\$6,250	\$6,250	\$6,250	\$25,000
Other Assets	\$3,000	\$0	\$0	\$0	\$3,000
Grandparent/Family Help	\$5,000	\$0	\$0	\$0	\$5,000
Perkins Loan	\$0	\$0	\$0	\$0	\$0
Subsidized Student Stafford Loans	\$0	\$0	\$0	\$0	\$0
Unsubsidized Student Stafford Loans	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/Student Loan For Difference	\$9,618	\$18,951	\$20,401	\$22,974	\$71,945
COLLEGE FUNDING COMPLETE	\$36,668	\$39,001	\$41,451	\$44,024	\$161,145

Total Loans

	TOTAL LOANS				
Perkins Loans	\$0	\$0	\$0	\$0	\$0
Subsidized Stafford (Self Help)	\$0	\$0	\$0	\$0	\$0
Unsubsidized Stafford	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/ Student Loan	\$9,618	\$18,951	\$20,401	\$22,974	\$71,945
	\$15,118	\$25,451	\$27,901	\$30,474	\$98,945

# of Years	Int. Rate	Monthly Pmt	Total Repayment
10	6%	-\$1,093	-\$131,163.15
25	6%	-\$634	-\$190,299.54

Net Cost Comparison

School Name	Cost of Attendance	Projected four-year total cost
Ohio State University	\$25,539	\$110,076

Projected Annual Costs

Calendar Year	Projected Annual COA
2016	\$25,539
2017	\$26,816
2018	\$28,157
2019	\$29,565

***Projected Four Year Total Cost \$110,076**

*assumes 5% annual increase

EFC method used by School	Federal Methodology
Estimated COA -	\$25,539
EFC	\$53,000
Demonstrated Financial Need	\$0

Self Help Awarded	\$5,500
Gift Aid Awarded	\$2,500
Total Financial Aid Awarded	\$8,000

Projected Cost/Financial Aid	
Unmet Cost +	\$17,539
Self Help Awarded	\$5,500
<i>Total Family Contribution</i>	\$23,039

What you need to pay for!	Year 1	Year 2	Year 3	Year 4	TOTAL
Self Help	\$5,500				
Unmet Cost	\$17,539				
TRUE NET COST TO ATTEND	\$23,039	\$24,316	\$25,657	\$27,065	\$100,076

How you're going to Pay for it!	Year 1	Year 2	Year 3	Year 4	TOTAL
Private Scholarship	\$4,800	\$4,800	\$4,800	\$4,800	\$19,200
Parent Cash flow	\$0	\$0	\$0	\$0	\$0
Workstudy					
American Education Oppty Credit	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
529	\$6,250	\$6,250	\$6,250	\$6,250	\$25,000
Other Assets	\$3,000	\$0	\$0	\$0	\$3,000
Grandparent/Family Help	\$989	\$4,011	\$0	\$0	\$5,000
Perkins Loan	\$0	\$0	\$0	\$0	\$0
Subsidized Student Stafford Loans	\$0	\$0	\$0	\$0	\$0
Unsubsidized Student Stafford Loans	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/Student Loan For Difference	\$0	\$255	\$4,607	\$6,015	\$10,876
COLLEGE FUNDING COMPLETE	\$23,039	\$24,316	\$25,657	\$27,065	\$100,076

Total Loans	TOTAL LOANS				
Perkins Loans	\$0	\$0	\$0	\$0	\$0
Subsidized Stafford (Self Help)	\$0	\$0	\$0	\$0	\$0
Unsubsidized Stafford	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000
Parent Plus/ Student Loan	\$0	\$255	\$4,607	\$6,015	\$10,876
	\$5,500	\$6,755	\$12,107	\$13,515	\$37,876

# of Years	Int. Rate	Monthly Pmt	Total Repayment
10	6%	-\$418	-\$50,209.48
25	6%	-\$243	-\$72,846.99

The 1 Page College Funding Plan

COLLEGE PRE-APPROVAL™ Worksheet (Sample)			
PARENT RESOURCES		TOTALS	
529 Savings	\$25,000	(A) PARENT RESOURCES	\$57,200
Other Assets	\$3,000	(B) PARENT LOANS	\$0
Monthly Cash Flow (\$400 x 48 months)	\$19,200	(C) STUDENT RESOURCES	\$9,600
Annual American Opportunity Tax Credit (\$10,000 Max over 4 years)	\$10,000	(D) STUDENT LOANS	\$27,000
TOTAL PARENT RESOURCES (A)		(E) OTHER HELP	\$5,000
PARENT LOANS		Your 4 Year Pre-Approval Amount	\$98,800
PARENT PLUS / PRIVATE LOANS (B)			
STUDENT RESOURCES		STUDENT PLANS	
Student Savings (UTMA, Savings, etc.)	\$0	Anticipated Major / Career	Education
Monthly Workstudy / PT Job (\$200 x 48 months)	\$9,600	Average Starting Salary = Max Loan	\$40,267
TOTAL STUDENT RESOURCES (C)		Average Starting Salary By Discipline*	
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GRANDPARENT / FAMILY HELP (E)		Education	\$40,267
		Humanities & Social Sciences	\$38,049
College Pre-Approval™		Overall	\$48,707
*Nation Association of Colleges and Employers			
Class of 2014 salary survey			

Comprehensive College Funding Plan



➔ Maximize aid with EFC reduction strategies

➔ College selection

- FAFSA vs CSS Profile
- % of need met
- Merit scholarship

➔ Smart college lending strategy

➔ Tax scholarships & personal resource planning

- American Opportunity Tax Credit
- Gifting assets
- Cash flow maximization
- Income shifting
- Tuition reimbursement plans



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Tax Scholarship Section 127 Tuition Reimbursement Plan

\$5,250 After-tax payment parent makes for child's college costs
x.35 (35% personal tax rate)

+1,838 **Tax cost**
7,088 **Pre-tax amount required to make \$5,250 college payment**

\$5,250 Tuition reimbursement to child/student
x.35 (35% personal tax rate)

-1,838 **Deduction**
+3,412 **Actual cost of business reimbursing \$5,250 college payment**

\$3,676 **Tax savings difference through section 127 plan**
x2 **Child's Jr. & Sr. Years**

\$7,913 **Total section 127 tax savings for child's Jr. and Sr. Years**

Disclosure

- This information is provided for educational purposes only. It is intended to be generic in nature and should not be applied nor relied upon in any particular situation without the advice of your tax, legal and/or financial advisor.
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