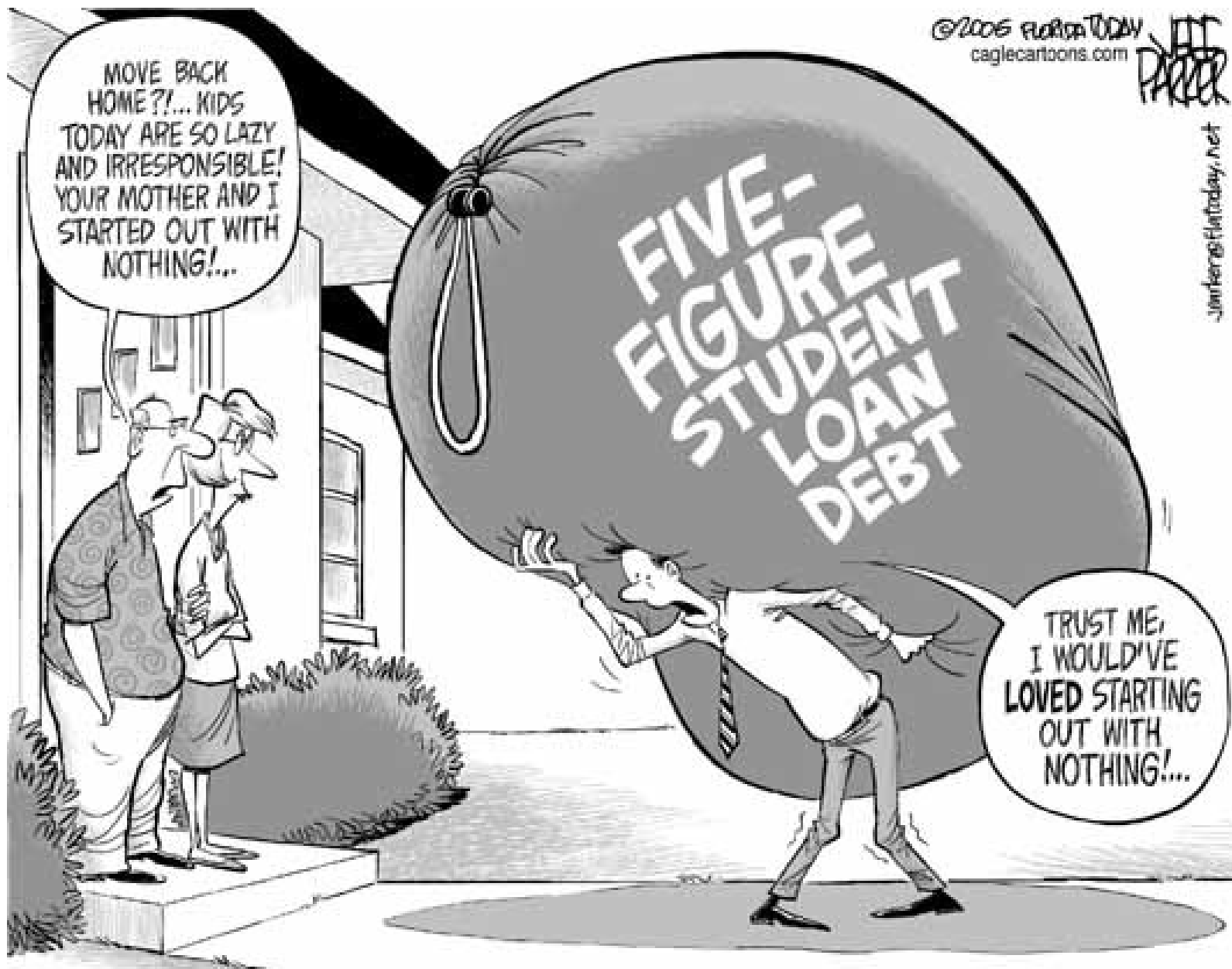




College Pre-ApprovalTM

know before you go

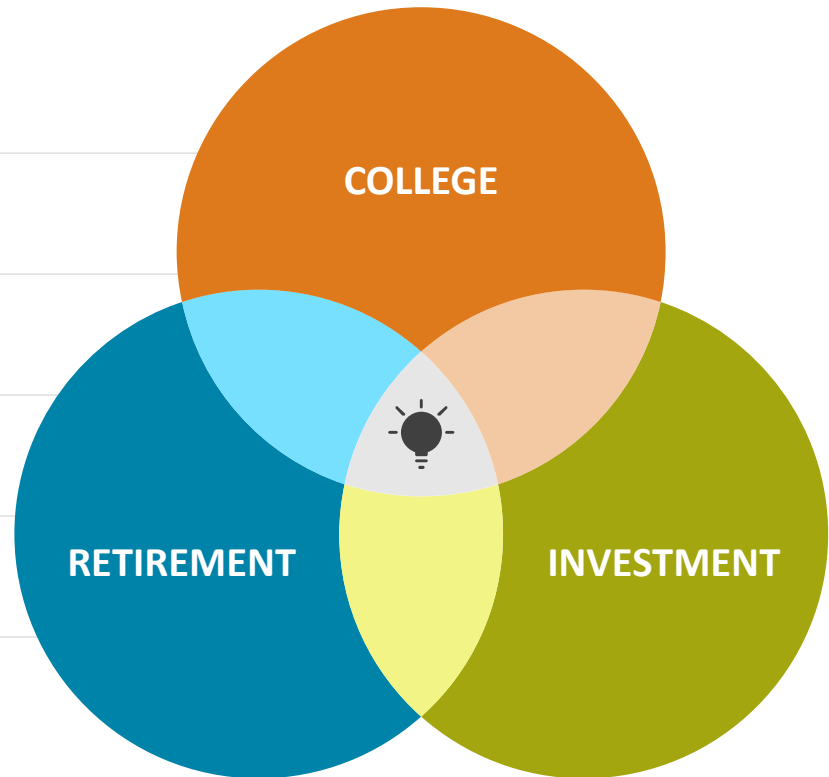


Financial Planning for College Bound Families



- › Founded 2009
- › Independent
- › Full service
- › Fee only
- › Fiduciary
- › College experts
- › CFP®

OUR SOLUTION





capstone

COLLEGE PARTNERS

XY PLANNING
NETWORK

Bloomberg

FINANCIAL ADVISOR
FA

Journal of
Financial Planning

End the student loan crisis one family at a time

Raise the bar in college funding advice

Empower financial advisors with College Pre-Approval™



NCES National Center for Education Statistics

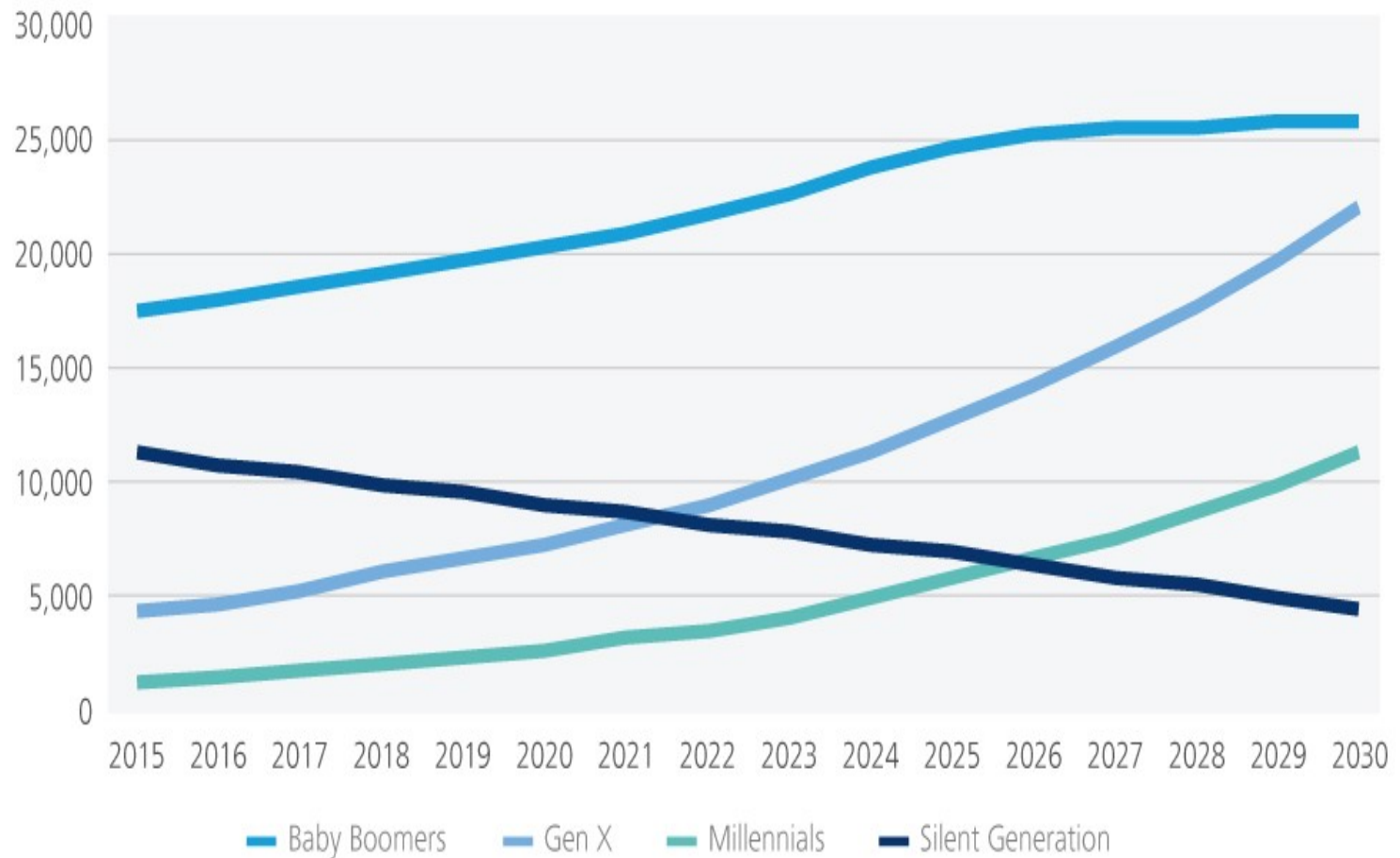
2016

16 million students in grades 9 through 12

3.5 million students expected to graduate

68.4 percent immediately enroll in college

Figure 8. Financial assets, all generations (\$ billion)



Source: Deloitte Center for Financial Services.

Graphic: Deloitte University Press | DUPress.com

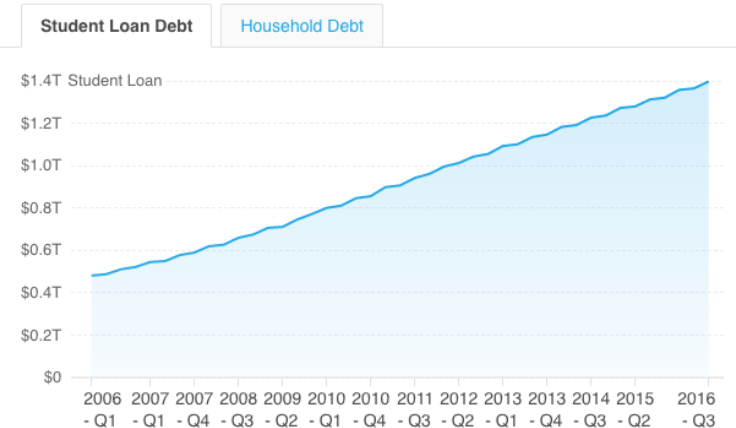
Projected cost of college

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**



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

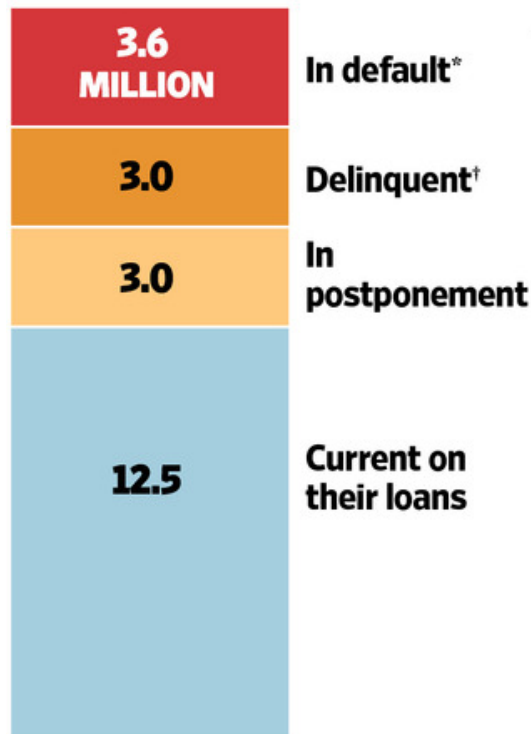
2016 Grad Class Student Loan Crisis

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

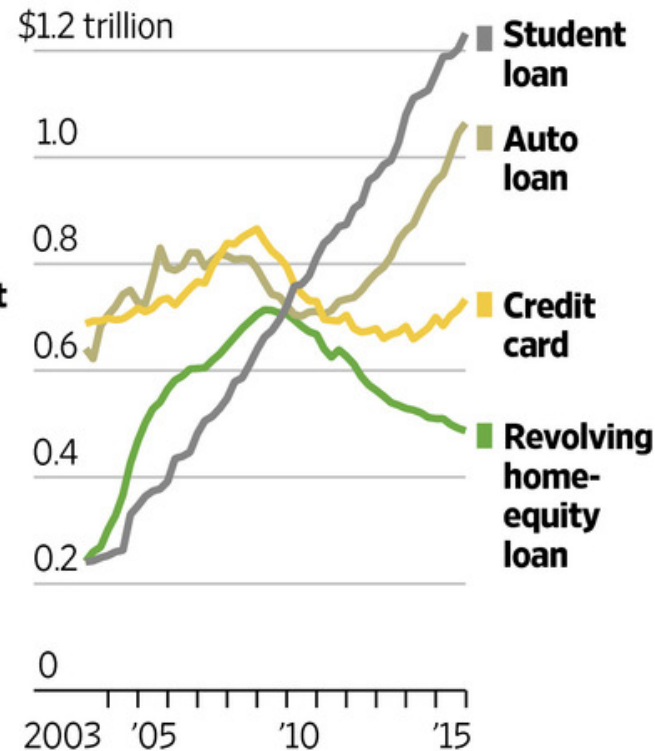
Failing to Repay

Some 43% of the roughly 22 million Americans with federal student loans were either behind or received permission to postpone payments due to economic hardship as of Jan. 1.

Americans who are out of school and owe federal student loans



Debt outstanding by type of consumer loan



*At least 360 days behind on a payment †Between 31 days and 360 days behind on a payment

Sources: Education Department (student loans); Federal Reserve Bank of New York (debt outstanding)

THE WALL STREET JOURNAL.

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)

Not all majors are created equal...

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

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

**National Association of
Colleges and Employers –
Class of 2016 Salary Survey*

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 (\$400 x 48 months)	\$19,200
Annual American Opportunity Tax Credit (\$10,000 Max over 4 years)	\$10,000
TOTAL PARENT RESOURCES (A)	\$57,200

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 LOANS

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

OTHER HELP

GRANDPARENT / FAMILY HELP (E)	\$5,000
--------------------------------------	----------------

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

STUDENT PLANS

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

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

*Nation 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!

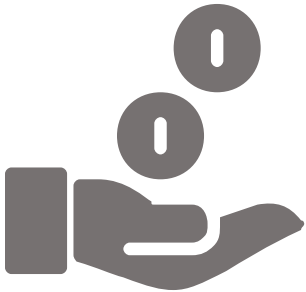
Private Scholarship	\$0	\$0	\$0	\$0	\$0
Parent Cashflow	\$4,800	\$4,800	\$4,800	\$4,800	\$19,200
Workstudy	\$0	\$0	\$0	\$0	\$0
American Education Oppty Credit	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
529	\$6,250	\$6,250	\$6,250	\$6,250	\$25,000
Other Assets	\$3,000	\$0	\$0	\$0	\$3,000
Grandparent/Family Help	\$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

Smart lending strategy



Federal Direct Stafford Student Loan*

- › Subsidized (Need Based) – 1.069% Fee/ 4.45% Fixed –
 - › No interest until repayment
- › Unsubsidized (Not Need Based) – 1.069% Fee/ 4.45% Fixed –
 - › Interest Accrues Immediately
- › \$27,000 Max over 4 Years (\$5,500, \$6,500, \$7,500, \$7500)
- › Use it or lose it each year



Federal Direct Parent PLUS Loan* – (Not Need Based)

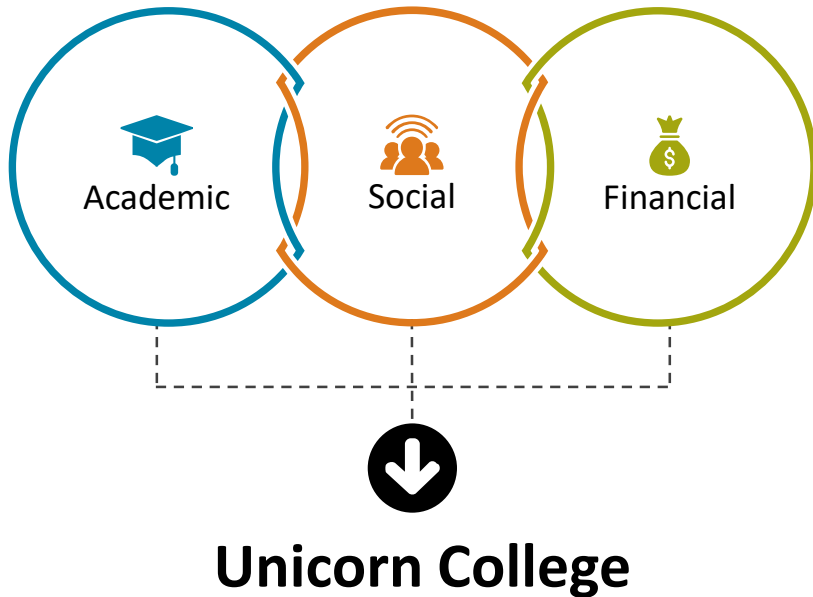
- › 4.752% Fee / 7.0% Fixed, Interest Accrues Immediately
- › Borrowed by parent up to the full COA
- › Non Transferrable
- › ****Interest on Federal Direct loans adjusts every July 1***



Private Student Loans – (Not Need based)

- › Fixed and Variable Interest Rate programs
- › Borrowed by the student from Banks and Credit Unions
- › Co-signer typically required

College is a business.



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)*

College Pre-Approval™

6 Critical Steps



1

**PREPARE FOR THE
COST OF COLLEGE**
Freshman/Sophom
ore/Junior Year



2

**APPLY FOR ADMISSION
AND SCHOLARSHIPS**
September - November
Senior Year



3

**APPLY FOR
FINANCIAL AID**
October of
Senior Year



4

**ANALYZE & APPEAL
FINANCIAL AID OFFERS**
March – April
of Senior Year



5

**CHOOSE THE RIGHT
SCHOOL AND ACCEPT
YOUR AWARD**
April of Senior Year



6

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

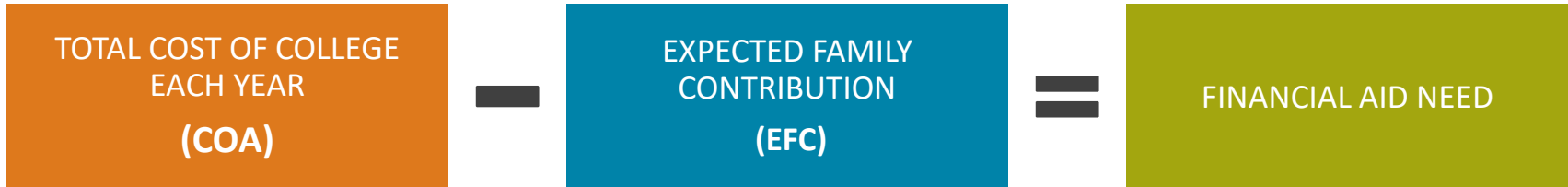
What type of family are you?



How can you cut the cost of college?



Need-based financial aid



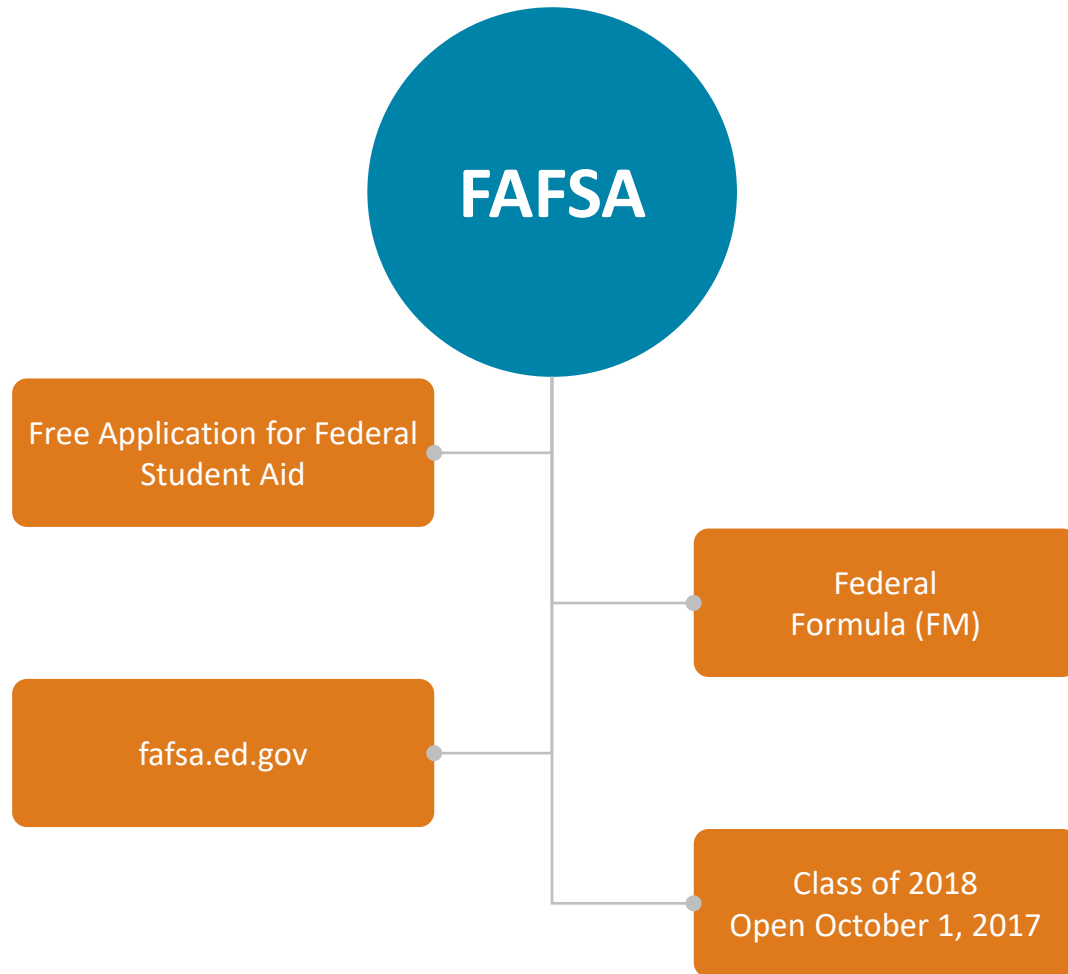
- › College Cost of \$50,000 – EFC (\$20,000) = \$30,000 of need
 - › College Cost of \$20,000 – EFC (\$20,000) = \$0 of need
-
- › EFC split when multiple children are in school
 - › \$20,000(EFC) / 2 College Students = \$10,000 Each

**Know before
you go!**

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

➔ Net Price Calculators

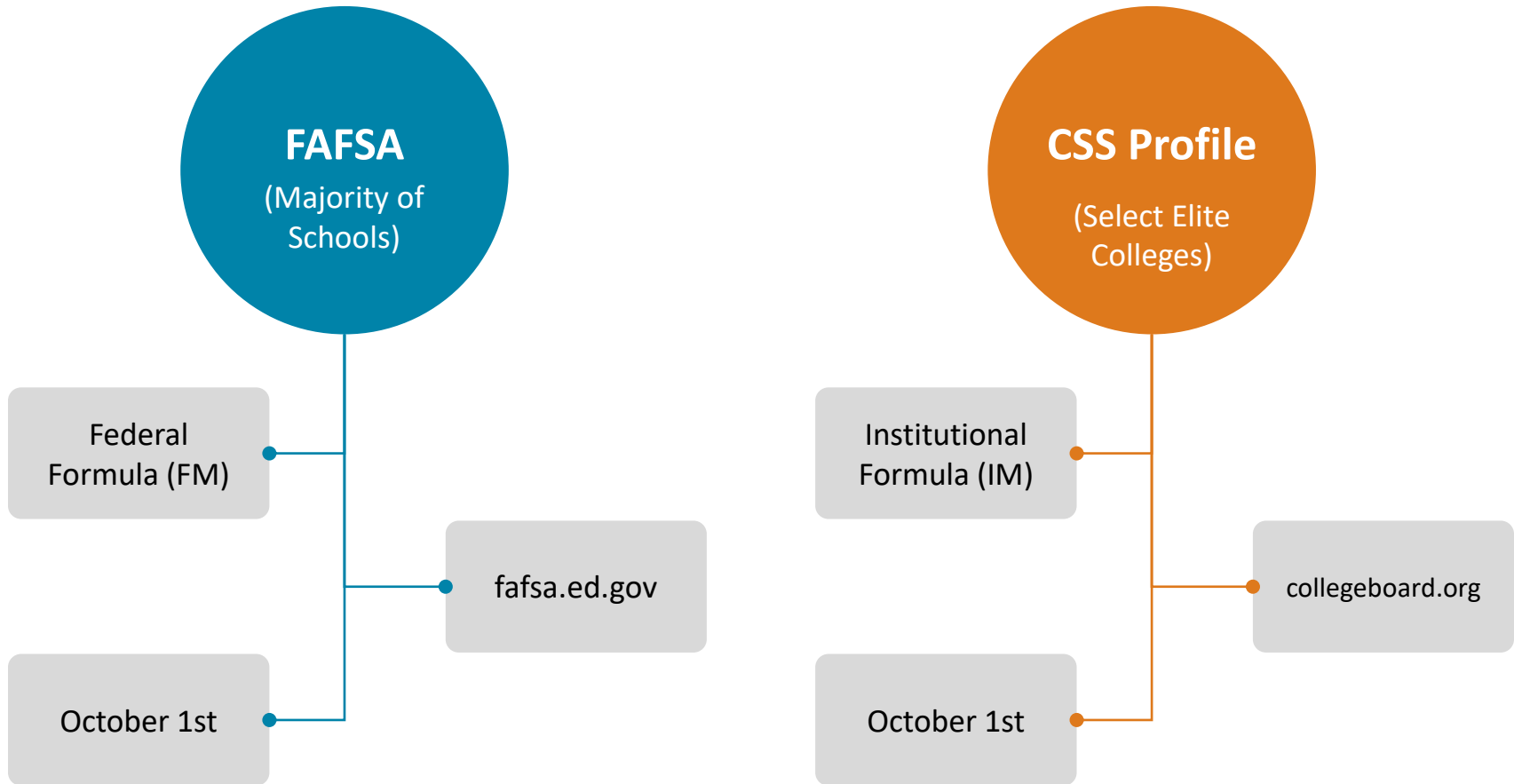
Financial Aid Application



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

Financial Aid - Applications and Formulas



568 Presidents Group

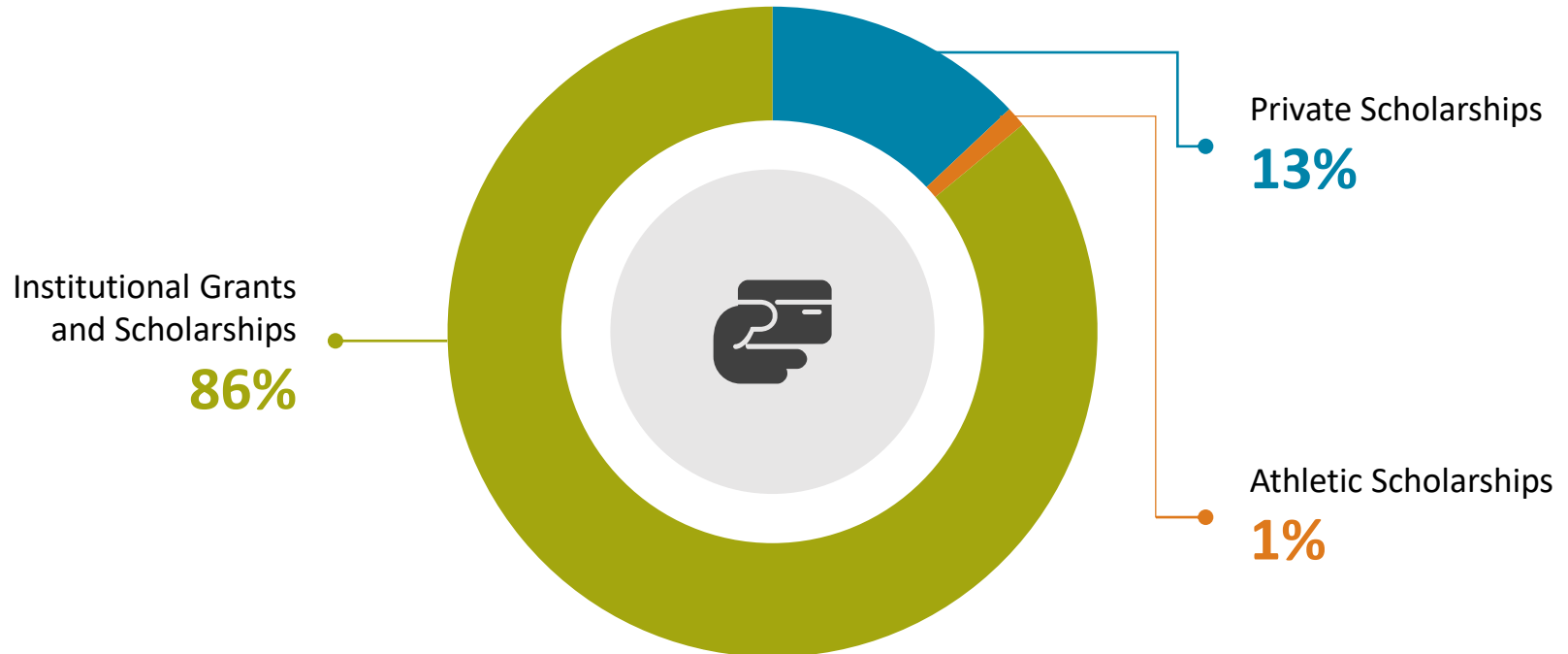
Need-Based Aid
Simplicity
Greater Clarity
Paying for College
Need Blind
Access
Consensus
Equity
Financial Aid
Methodology
Fairness
568 Presidents Group

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

What about scholarships?

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

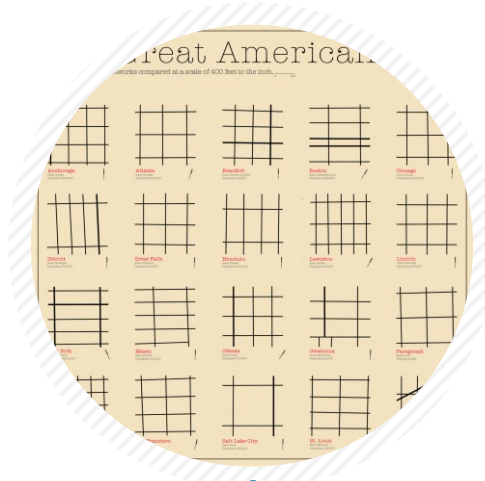


**How America Pays for College 2014 Sallie Mae*

Merit Aid = Gift Aid Institutional Scholarships



Competitive



Grid/Automatic



Package

University of Alabama

Grid/Automatic



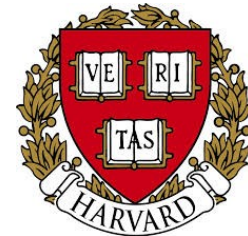
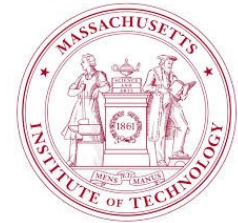
ACT Score (+3.5 GPA)	Per Year Award	Four Year Award
27	\$3,500	\$14,000
28	\$4,000	\$16,000
29	\$13,000	\$52,000
30-31	\$17,976	\$71,906
32-36	\$26,950	\$107,800

Merit vs. Need based financial aid policy

Merit Based Aid



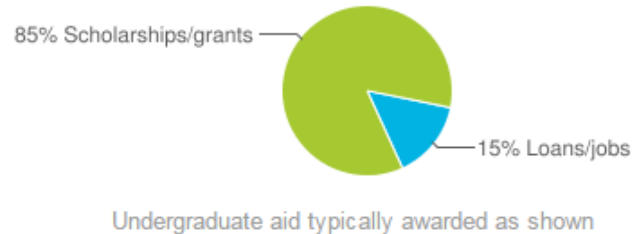
100% of Need Met



www.collegedata.com

Denison University (\$62,480) – College Board

Financial Aid Distribution



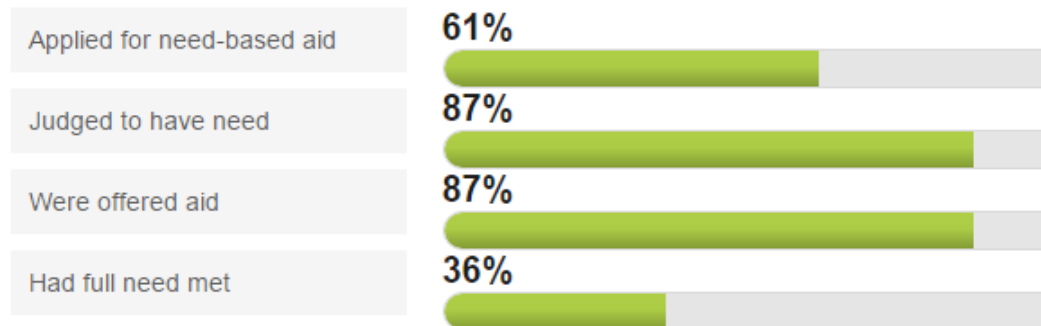
97%
% of need met

100%
% of freshmen with
need who received
financial aid

\$41,384

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



\$4,320

Avg need-based loan

\$36,053

Avg need-based scholarship or grant award

\$22,114

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
- Alumni Affiliation
- Art

Need-based aid determined by: ?

- Academics
- Alumni Affiliation
- Art

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

Financial Aid Distribution



Undergraduate aid typically awarded as shown

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:

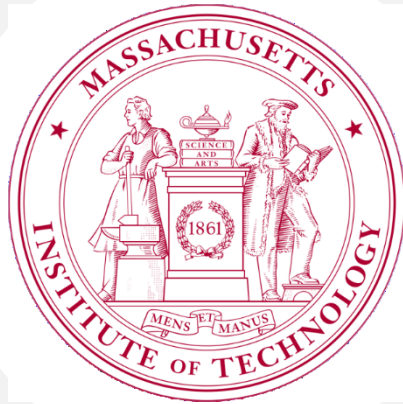
This school offers the following work study ? options:

- 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/workstudy)	\$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
Net Cost To Attend	=	\$63,250

4 year Total Cost = \$253,000



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

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™ 1 Page College Funding Plan (Sample)

PARENT RESOURCES

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

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 LOANS

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

OTHER HELP

GRANDPARENT / FAMILY HELP (E)	\$5,000
--------------------------------------	----------------

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

STUDENT PLANS

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

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

*Nation 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 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	\$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

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!

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™ 1 Page College Funding Plan (Sample)

PARENT RESOURCES

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

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 LOANS

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

OTHER HELP

GRANDPARENT / FAMILY HELP (E)	\$5,000
--------------------------------------	----------------

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

STUDENT PLANS

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

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

*Nation Association of Colleges and Employers
Class of 2016 undergrad 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 plan



Join the Movement!!!

For free video resources and to receive our
weekly college news digest

Text “COLOFPA” to
44222

(614) 754-7805

www.capstonecollegepartners.com

info@capstonecollegepartners.com

XY PLANNING
NETWORK

Bloomberg

FINANCIAL ADVISOR
FA

Journal of
Financial Planning

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.