

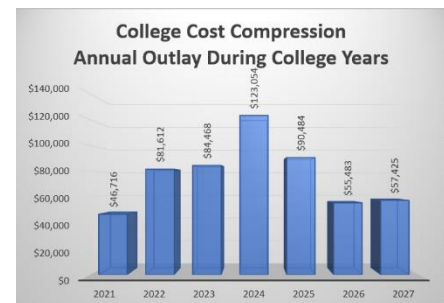
The College Financial Roadmap

Many families need help dealing with the financial consequences of College. Strategies for College focuses on three components of the financial challenges families deal with:

Raw Cost – is the gross cost of college for a family. It takes the net, out-of-pocket cost estimate from the CAP process, and inflates it based on the ages and years a family’s student(s) will be in college. The result is a College Cost Timeline. When most people think of college – it is the raw cost that is the most striking factor.

Year	Net Out-of-Pocket Cost Estimate			Total Outlay
	Louie	Kendall	Cooper	
2019	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0
2021	\$46,716	\$0	\$0	\$46,716
2022	\$40,806	\$40,806	\$0	\$81,612
2023	\$42,234	\$42,234	\$0	\$84,468
2024	\$41,018	\$41,018	\$41,018	\$123,054
2025	\$0	\$45,242	\$45,242	\$90,484
2026	\$0	\$0	\$55,483	\$55,483
2027	\$0	\$0	\$57,425	\$57,425
	\$170,774	\$169,300	\$199,167	\$539,241

Compression – Compression refers to the timeframe over which the raw cost must be paid. For one student, it may 4 years. For families with multiple students, it will be longer, depending on age and overlap years. For example: a family with 2 students may pay a raw cost of \$200,000 over a 6-year period. The challenge of compression is that the family is being asked – in essence – to buy a \$200,000 house on a 6-year mortgage.



Transference – Combines the Raw Cost – and the Compression timeline, and projects the future value of the anticipated payment stream. We call this a wealth transfer since it is money that will be used for college rather than remaining available for retirement. Since College is the most significant toll booth on the way to retirement – we want to understand the cost of college in terms of its retirement impact. The measure of the success of the College Financial Roadmap process is dollar value by which we can reduce the Wealth Transfer cost of college – and enhancing your retirement outcome as a result.

	Anticipated Outlay	Wealth Transfer Value - Age 70
2021	\$46,716	\$253,123
2022	\$81,612	\$417,175
2023	\$84,468	\$407,334
2024	\$123,054	\$559,820
2025	\$90,484	\$388,346
2026	\$55,483	\$224,645
2027	\$57,425	\$219,347
Total	\$539,241	\$2,469,789

Our College Financial Roadmap service is a very personalized process that is specific to each family – and address all three of the major financial challenges associated with college:

Plan Cost: \$795 payable with submission of fact-finder

Plan Guarantee: The CFR Fee is 100% refundable to the family if it fails to yield at least \$10,000 in reduced ‘transfers’ as defined below.

How it works

What we do to reduce Raw Cost

The family will complete a comprehensive fact-finder. This will allow us to simulate your family's Expected Family Contribution prior to filing the next FAFSA application.

This report helps families understand what makes up their EFC and begins to identify planning opportunities that might result in a lower EFC by making planning adjustments. Clients receive a **Detailed EFC Report**.

STRATEGIES FOR COLLEGE INC.
Guidance You Can Trust
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(888) 485-7299

This Report has been prepared for Louie Hofferer as of 02/28/2019

Aid Eligibility Comparison Report ¹. See footnotes page.

	Butler U Indianapolis IN Private www.butler.edu 800 368-6852	Xavier U Cincinnati OH Private www.xavier.edu 800 344-4698	Auburn U Auburn AL Public www.auburn.edu 334 844-4000		
Cost of Attendance ²					
Tuition & Fees	41,120	38,530	30,524	0	0
Room & Board	14,690	12,780	13,332	0	0
T&F + RSB	0	0	0	0	0
Books and Supplies	1,000	1,000	1,200	0	0
Other expenses	2,850	2,000	5,782	0	0
Transportation ³	0	0	0	0	0
18-19 COA	59,660	54,310	50,838		
COA Inflation Est	5%	5%	5%	5%	5%
Estimates for You					
20-21 cost est. ⁴	65,775	59,877	56,049	0	0
20-21 EFC est. ⁴	28,579	28,579	28,579	0	0
= Need (Aid Eligibility) Est. ⁵	37,196	31,298	27,470	0	0
X Average % Need Met	66%	66%	45%	0%	0%
= Your Aid Estimate	24,549	20,657	12,362	0	0
Average % Gift Aid ⁶	83%	92%	73%	0%	0%
Your Estimate	20,277	18,901	8,962	0	0
X Average % Self-help ⁷	17%	9%	28%	0%	0%
Your Estimate	4,272	1,756	3,400	0	0
+ Unmet Need Estimate	12,647	10,641	15,108	0	0
+ EFC	28,579	28,579	28,579	0	0
+ Self-help	4,272	1,756	3,400	0	0
= Out-of-pocket Cost Est. ⁸					
Eventual Cost	45,498	40,976	47,087	0	0
Immediate Cost	41,226	39,220	43,687	0	0
Student Information					
Total Enrollment	5,081	6,798	29,776	0	0
% freshmen returned	89%	84%	92%	0%	0%
% graduated 4-5-6 years	63-68-79%	61-68-69%	49-73-77%	0	0
% graduated with debt	61%	53%	40%	0%	0%
\$ Average Debt	40,393	10,217	29,295	0	0
Need-based Aid ⁹					
Required aid forms ¹⁰	1	1	1		
# that received aid	2,611	2,470	7,246	0	0
% that received aid	51	36	24	0	0
Aid Without Need ⁹					
# that received aid	1,657	546	4,842	0	0
% that received aid	33	8	16	0	0
\$ Athletic (average)	30,190	11,505	36,956	0	0
\$ Non-athletic (average)	14,312	17,530	7,249	0	0


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Detailed Expected Family Contribution (EFC) Report for Louie Hofferer, 2020-21 School Year

	Parent		Student	
	FM Institutions	IM Institutions	FM Institutions	IM Institutions
Contribution from Income				
+ Adjusted Gross Income	127,210	127,210	4,594	4,594
+ Untaxed Income	12,345	12,345	0	0
- Exclusions	0	0	0	0
= Total Income Considered	139,555	139,555	4,594	4,594
- U.S. Income Tax	26,212	26,212	0	0
- State (and other) Tax Allowance	4,187	5,582	138	353
- FICA (Social Security Tax)	9,732	9,732	360	360
- Employment Expense Allowance	4,000	4,130	N/A	N/A
- Income Protection Allowance	33,720	33,512	6,570	0
- Medical / Dental Expense Allowance	N/A	0	N/A	N/A
- Tuition and/or Education Loan Allowance	N/A	0	N/A	N/A
- Annual Education Savings Allowance	N/A	2,121	N/A	N/A
= Available Income	61,705	58,266	0	3,882
X Assessment Rate Percentage	N/A	N/A	50%	25%
Contribution Expected from Income (minimum for student)	22,306	17,460	0	1,800
Contribution from Assets	Public (FM) Institutions	Some Private Institutions	Public (FM) Institutions	Some Private Institutions
+ Personal Assets	99,000	144,000	0	0
+ Residence	N/A	120,000	N/A	0
+ Business / Farm Assets	0	0	0	0
+ Net Worth	99,000	264,000	0	0
+ Asset Protection Allowances	11,900	N/A	N/A	N/A
+ Emergency Reserve Allowances	N/A	37,262	N/A	N/A
+ Cumulative Education Saving Allowance	N/A	23,864	N/A	N/A
+ Low Income Asset Allowance	N/A	0	N/A	N/A
+ Business / Farm Discount	0	0	N/A	N/A
= Total Allowances	11,900	61,126	N/A	N/A
= Discretionary Net Worth	87,100	202,874	0	0
X Percent to convert assets to income	12%	20%	20%	25%
= Estimated Income Supplement	10,452	N/A	N/A	N/A
+ Contribution Expected from Assets	4,912	3,109	0	0
+ Contribution Expected from Income (minimum for student)	22,306	17,460	0	1,800
= Total Contribution	27,218	26,569	0	1,800
+ Inflation	1,361	1,418		
Expected Family Contribution (EFC)	28,579	29,787		

Next, we will build an **Aid Eligibility Report** for up to 5 colleges on your family's short list. This report shows the family's Aid Eligibility based on their Expected Family Contribution, the Colleges chosen, and the average financial aid award of those colleges. It also breaks financial aid into its component pieces: Grants, Work-Study, and Student Loans.

Next, we look for financial planning opportunities that can result in a lower EFC and apply those to create a hypothetical EFC. This is called EFC optimization, and results in an **EFC Optimization Report**.



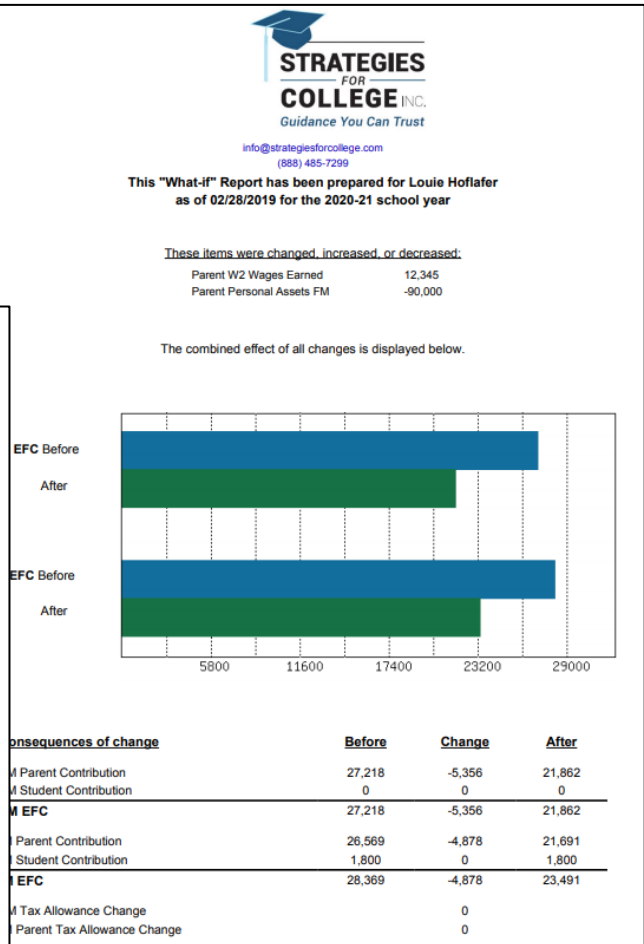
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This Report has been prepared for Louie Hoflafer as of 02/28/2019

Aid Eligibility What-if Comparison Report

	Butler U Indianapolis IN Private FM 800 368-6852 www.butler.edu	Xavier U Cincinnati OH Private FM 800 344-4698 www.xavier.edu	Auburn U Auburn AL Public FM 334 844-4000 www.auburn.edu		
Cost of Attendance					
18-19 COA	59,660	54,310	50,838	0	0
COA Inflation Est	5%	5%	5%	5%	5%
Estimates for You					
BEFORE - Original Aid Estimate					
20-21 cost est.	65,775	59,877	56,049	0	0
20-21 EFC est.	28,579	28,579	28,579	0	0
= Need (Aid Eligibility) Est.	37,196	31,298	27,470	0	0
Your Estimate: Need Met	24,549	20,657	12,362	0	0
Your Estimate: Gift Aid	20,277	18,901	8,962	0	0
= Out-of-pocket Cost Est.					
Eventual Cost	45,498	40,976	47,087	0	0
Immediate Cost	41,226	39,220	43,687	0	0
AFTER - What-if Potential Aid					
20-21 cost est.	65,775	59,877	56,049	0	0
20-21 EFC est.	22,955	22,955	22,955	0	0
= Need (Aid Eligibility) Est.	42,820	36,922	33,094	0	0
Your Estimate: Need Met	28,261	24,369	14,992	0	0
Your Estimate: Gift Aid	23,344	22,298	10,797	0	0
+ Unmet Need Estimate	14,559	12,553	18,202	0	0
+ EFC	22,955	22,955	22,955	0	0
+ Self-help	4,917	2,071	4,095	0	0
= Out-of-pocket Cost Est.					
Eventual Cost	42,431	37,579	45,252	0	0
Immediate Cost	37,514	35,508	41,157	0	0
CHANGE in estimated college cost					
Increase / Decrease in					
Eventual Cost	-3,067	-3,397	-1,835	0	0
Immediate Cost	-3,712	-3,712	-2,530	0	0

All the work until this point is based on the student of immediate concern. Now it's time to look at the cost of college for the family as a whole. In many situations, the impact of financial aid and EFC Optimization is visible only in the context of the entire family (all students). So we'll build a Family **College Cost Timeline Report** showing the total cost of college and how it cash flows before applying any optimization:



Next, the **What-If Aid Eligibility Report** identifies how much EFC Optimization reduces the cost of (up to 5) colleges on the family's short-list.

Year	Net Out-of-Pocket Cost Estimate			Total Outlay
	Louie	Kendall	Cooper	
2019	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0
2021	\$46,716	\$0	\$0	\$46,716
2022	\$40,806	\$40,806	\$0	\$81,612
2023	\$42,234	\$42,234	\$0	\$84,468
2024	\$41,018	\$41,018	\$41,018	\$123,054
2025	\$0	\$45,242	\$45,242	\$90,484
2026	\$0	\$0	\$55,483	\$55,483
2027	\$0	\$0	\$57,425	\$57,425
	\$170,774	\$169,300	\$199,167	\$539,241

The last step in the effort to minimize the Raw Cost is to look at the **Aid-Optimized Family Cost Timeline Report**. This report applies the optimized EFC and all corresponding need-based financial aid – for the family in total. This report measures our effectiveness at reducing the Raw Cost of college for the family from EFC Optimization.

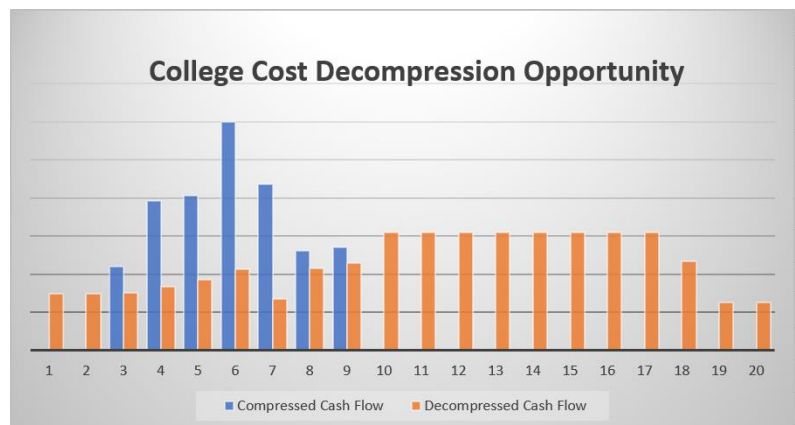
Year	Net Out-of-Pocket Cost Including Estimated Gift Aid			Total Outlay
	Louie	Kendall	Cooper	
2021	\$43,847	\$0	\$0	\$43,847
2022	\$39,322	\$39,322	\$0	\$78,643
2023	\$40,698	\$40,698	\$0	\$81,395
2024	\$39,958	\$39,958	\$39,958	\$119,874
2025	\$0	\$43,596	\$43,596	\$87,192
2026	\$0	\$0	\$52,076	\$52,076
2027	\$0	\$0	\$53,899	\$53,899
	\$163,824	\$163,573	\$189,529	\$516,926
	Savings from EFC Optimization			\$22,315

What we do to reduce Cost Compression?

De-compressing the cost of college is a matter of spreading the Raw Cost over a longer period of time. There are two ways to deal with cost compression:

- Front End: Save in advance – using vehicles like 529 plans and others, and
- Back End: Borrowing – through Stafford and Perkins Loans, Parent Plus loans, and other commercial lending sources.

Depending on family dynamics and resource availability, we'll help the family identify the best options for both saving in advance – and leveraging borrowing characteristics that are unique to college. The optimized combination is compiled in the **College Cost Decompression Opportunity Report**.



Some families will be eligible for the CROP strategy (College Refund Opportunity Plan). This is a Strategies for College exclusive program that uses a specially designed front-end savings strategy – combined with college borrowing opportunities – to create a lifetime refund of the entire cost of college. While not for everyone – this can be one of the advantages of looking closely at the cost compression issue.

What do we do to Reduce Transference?

Without a detailed, customized college financial plan, most families will pay more than necessary for college – and they'll pay it over a more compressed timeframe than necessary.

Transference looks at that cash flow (how much – and when) as wealth that will leave (transfer from) the family and go to a college(s), lender(s), and others. We ascribe a future value to that string of cash flows before planning – and after planning. The difference is the amount of Wealth Transfer we can avoid and therefore preserve for retirement.

The future value is a simple mathematical calculation. We apply a growth factor to the cash flow based on your input; and grow it until your age 70 – which provides us an estimate of the retirement cost of college before – and after planning.

Just as we were taught that we'll have more money if we start saving \$100/month at age 25 that we will if we save \$500/month but delay the start until age 45 – the same is true with transference. The more cost we can push into the future – the lower the transference cost will be. In fact, sometimes we can reduce transference at a higher raw cost by moving obligations into the future.

Reducing Transference as much as possible is the ultimate goal of the College Financial Roadmap process. As such – it is also the figure upon which Strategies for College offers its money-back guarantee for the College Financial Roadmap engagement fee.

The transference report will look different based on the optimized plan customized for each family. Using the data from image inserts in this document, it would look like this.

Transference - Pre-Plan		
	Anticipated Outlay	Wealth Transfer Age 70
2021	\$46,716	\$253,123
2022	\$81,612	\$417,175
2023	\$84,468	\$407,334
2024	\$123,054	\$559,820
2025	\$90,484	\$388,346
2026	\$55,483	\$224,645
2027	\$57,425	\$219,347
Total	\$539,241	\$2,469,789

Transference - Optimized Plan		
	Anticipated Outlay	Wealth Transfer Age 70
2021	\$43,847	\$237,577
2022	\$78,643	\$401,998
2023	\$81,395	\$392,515
2024	\$119,874	\$545,353
2025	\$87,192	\$374,217
2026	\$52,076	\$210,852
2027	\$53,899	\$205,881
Total	\$516,926	\$2,368,393
Transferred Savings		\$101,396

Summary

The College Financial Roadmap is an immensely valuable tool for the family. It is also a lot of work – for both the Strategies for College team – and the family. It should be clear however – in the description of our approach and the deliverable set – that the value is unsurpassed.