



# EDUCATE TO CAREER

The Leader in Educational Attainment to Career Outcomes Data

## **Before You Get Started...**

Is college a good investment? It can be an excellent investment for a young person. However, the results of any investment are determined by the expenses, time, and the derived-income- which is years away for a student.

At ETC, it is our goal to see students get the best education possible, at the lowest cost possible, to generate the highest return on investment possible. You have an enormous number of college options available to you, and that's a good thing. The ETC College Business Plan (CBP) will show you many of the key college options that are available to you. It will show you the costs that are associated with those options, and it will tabulate all of those costs in a manner that only a finance professional could do. All of this has been engineered to help you build a fiscally prudent business plan for determining your college decisions.

Be advised that building a business plan will take some time – possibly multiple days of working with the program and modifying your inputs, and then checking the results. You may receive some information that is uncomfortable to you – and you'll need to take that information and apply it to improving your plan. This is a process and our program will walk you through this process like nothing else could. We have one interest at ETC – and that is to see young people use college *in a fiscally prudent manner* to develop the skill-set that prepares them for a real career.

When you're done with the ETC College Business Plan, you're going to be considerably wiser regarding all of the options you have to earn a college degree. You'll be aware of the various tracks available to earn a degree, and you'll be exposed to a myriad of ways to leverage financial tools that can save you tens of thousands of dollars.

## **Frequently Asked Questions:**

**What is a business plan?** In principle, a business plan is the documentation of the functions necessary for an economic idea to be brought to fruition.

**Exactly what is the ETC College Business Plan?** It is a software program that applies the principals of a business-plan to the business of college planning. It builds this business plan for you and with you. It does what you would do if you had access to billions of relevant data points and a business or accounting degree. But you don't, because you're on your way into school, not on your way out! You do need a business plan, and that's why we're here.

**What does a business plan do?** The single most important aspect of a business plan is that it forces a person to think through their idea. Developing a business plan takes time because it causes you to answer difficult questions, such as: How long is it going to take for me to implement my plan? How much money will I need? And it accounts for mid-course corrections because these things happen in the real world.

The completed business plan acts as an operating plan for you. It tells you where to allocate expenses, your timeframe, and other functions that lead you towards your goal.

**How does the ETC College Business Plan work?** For you, it's relatively easy. You answer questions by going through drop down menus, as well as by entering dollar amounts into fields. In the background, the CBP is referencing your inputs against dozens of databases and proprietary algorithms to organize all of the values and then create an income statement and plan of action, along with some recommendations.

**How much does the program cost?** It costs nothing for you to run any number of analyses. If you choose to buy your results in an Excel download, that is \$10. Or you can subscribe for \$99 annually and do unlimited Excel downloads.

**How do you recommend that a family use the CBP?** Run a lot of different scenarios. Try different schools, different housing plans, tweak everything. You will learn a lot in the process, which is of great value in and of itself. You'll also see how much all the costs relating to education add up to, and how difficult it is to produce a plan that is fiscally tenable. Always keep in mind that when you're scratching your head in trying to build a feasible business plan, just how much better off you are 'running the numbers' now, rather than finding out too late that your plan was off by a year or more, and by tens of thousands of dollars. This research is invaluable.

**As a parent, should I have my kid use the program also?** Absolutely! It will be very beneficial in helping to understand basic concepts of income, expenses, debt, and building a budget – basic accounting skills. The finance pros that worked with us in developing the program feel that it would be very worthwhile to have any college-bound kid run scenarios until they can produce a plan that has no 'red ink' (losses). You as the parent may choose to underwrite their losses while they're in school, but the lessons learned by 'running the numbers' are invaluable- long term.

**Tell me about the various data in the CBP and what they refer to?** Some of the datasets used to develop the CBP include:

- Tuitions specific to each college in the program.
- Grant and scholarship data specific to each college in the program.
- Housing and living expenses data specific to each college in the program.
- Starting salary data for each occupation in 560 regions of the US.
- Various student loan data based upon the analysis of recent graduates.

- Housing and living expenses data relating to 24 year-olds in most metro areas of the US.
- College graduation rates as predicted by high school GPA and major.
- Occupational outlook data for recent college graduates and persons who did not graduate.

**How current are the data in the CBP program?** All values were collected in 2016. In instances where values may have changed by more than 2%, we have applied an inflation adjustment to bring the data current to 2017.

**My kid is a ‘B’ student. Why is the CBP recommending that he start at a 2-year college?** The 5-year graduation rate for B students is about 50%. Tuition at a 2-year college typically runs about 70% less than tuition at a 4-year state school. Most 2-year colleges configure their classes so that credits can be transferred to a 4-year college. If they don’t succeed at a 2-year college, you’ve saved a lot of money.

**The counselor at my kid’s high school is recommending that he go to a public, 4-year college. Your program is recommending that he go to a 2-year college. Why the disparity?** Most counselors will recommend that every student go to a 4-year college. Have them run the CBP with you and discuss the options. You have many choices – contemplate all of them.

**What is the rationale for starting college at a 2-year school and then transferring?** The primary reason that many people begin college in a 2-year school is cost. 2-year colleges are an incredible value. Tuition at a 2-year school typically is less than \$3,000 annually, whereas tuition at a typical 4-year public college is \$10,000 or more. Course credits are generally transferable from a 2-year school to a 4-year school, though you would want to confirm this with the 4-year school you ultimately intend to apply to.

**I couldn’t find the job that my kid wants in your list of occupations. Why is this?** The occupation list in the CBP represents over 90% of the jobs that recent college grads are employed in, that require a college degree (We do not include the jobs that don’t require a college degree: waiter, retail sales, etc.). There are also some very niche specific jobs (Eg: actuary, phlebotomist, and so forth), which are not representative of what the vast majority of recent grads are employed in, and therefore we do not include those jobs.

**Why is my kid required to select an occupation in order to proceed with the program? He says he will ‘figure it out’ once he’s taken some general studies courses.** The 5-year graduation rate for students who enroll without a goal towards a specific career track is about 40%. Your child should consider starting college at a 2-year institution if they don’t have a clear focus for a job upon graduation, as the financial savings are substantial.

**Are the data for living expenses (apartment rental, food, health insurance, etc.) specific to the local area I selected?** Yes. The data are derived from a survey that is representative of local metro areas. Additionally, the data are specific to persons under 25 years of age.

**What interest rate and loan duration are you using for the student loan calculations?** The rate is 3.5% which is standard for federal loans. The term is 10 years. Your interest rate and term of your loan could possibly vary from this standard.

**The ‘grants and scholarships’ data are very detailed. Are they specific to each college?** Yes. However, do not assume that you will be offered the same values. The values shown are averages. It is your responsibility to secure grants and scholarships.

**What is the value of the Excel download?** It is two-fold. First, you will have all of the results in a format that you can retain and refer to in the future. You can use this file to build upon by integrating any other data that you might collect in your college planning endeavor. For \$10, it’s an incredible value to getting started with a true data file. Secondly, the Excel sheet also shows results for a 4-year and 6-year graduation term. This will help you to plan should your child graduate earlier or later than anticipated.

**I purchased the Excel download with my results. Can I alter or manipulate the variables?** Yes. That is your data file and you may want to use it as your primary financial template for college planning and budgeting. Share it with your college consultant, accountant and financial planner.

**I am a college consultant but I’m not a finance pro. What will the program do for me and my clients?** You don’t need to know finance to build an invaluable plan for your clients with the CBP – you just need to go through the modules and plug in values. It’s that easy and the program does the work behind the scenes for you.

**I work with a wealth management firm. Can I license data from ETC?** Yes. We have numerous clients who use our data in their client engagements. Our data provider, Job Search Intelligence handles our major data licensing arrangements. Contact [Mike Havis](#) to discuss further.

**ETC appears to focus on the economics of education. What about the intangible value to college?** We are focused on the quantifiable aspects of education because that’s been overlooked by so many others in the higher-ed ecosystem. It’s also what we’re good at – we’re data people. We don’t diminish the intangibles that a college education provides to young people. It’s not our area of expertise and it has been covered by so many other service providers.

**I am a college consultant and I’d like to use the CBP with my clients. How do I go about purchasing data?** You have 2 options: 1- you can purchase files on an as needed basis at \$10 per file, or 2- you can buy a 12 month subscription for \$99 and have unlimited access to the program.