

College Preparation and Planning Support Group



Ron Caruthers
Founder

CEO/CFO: *Mr. Caruthers, your site indicates Ducerus is your total college solution. How so?*

Mr. Caruthers: We work with families on the entire college planning process from about the time they get started seriously thinking about it early in high school all the way through graduate school. We serve them with expert guidance on everything from SAT and ACT preparation to career selection to most importantly, helping the parents find free money for college in a way that does not leave student or parent in debt for decades to come like a lot of parents end up.

CEO/CFO: *Are there total solutions available?*

Mr. Caruthers: It is a fairly new concept that came about from my own experience as a high school valedictorian who did not get to go to college over money because we couldn't afford it and I had no idea what I wanted to do anyways. We started really helping parents find financial solutions, and then we realized a lot of the parents were feeling that college would help kids figure out what they wanted to do, but that became a very expensive proposition with students often taking five to seven years to graduate. We feel it's best to get started planning in high school level to determine why a student is going to college in the first place and then helping the parents figure out the best way to send them that is affordable and practical.

CEO/CFO: *Is it realistic to expect many high school kids to know what they want?*

Mr. Caruthers: Absolutely not. They are teenagers and they have not really experienced life, so it is a common question that we get from a lot of parents. The flip side though is sending them to college with no idea of what they want to do. We try to find the middle ground to get them some really good ideas about directions they want to go in and making sure work can be found in those fields and that they enjoy what they are doing, and we do this with extensive career planning and internships, even while they are still in high school. Our feeling is if we can get them moving in the right direction, then while they are in college the rest will sort itself out. We start by really trying to help these kids have a direction before they get there so they are not wasting time and their parents' financial resources.

CEO/CFO: *What is the business model?*

Mr. Caruthers: The business model is that we try to reach parents any way that we can. We teach a lot of free classes in our communities either at the high schools themselves or for PTA groups, Rotary Clubs, libraries or senior centers. We try to educate parents on the basics of financial aid, which most parents are clueless on. That seems to be the area that the most misconceptions surround. Parents have been fed so many wrong ideas, so we work to start our relationship by educating them on the subjects. For many parents they get some basic information and they like to research things themselves, and we have pointed them on the right path. However, for many other families, they realize the value in expert guidance and they will want anything from SAT help, career selection or the total solution where we really come in and become both the student and parents' coach in getting them through the entire college experience.

CEO/CFO: *If somebody comes to you because they want more help, are they paying for a certain length of time or for certain services?*

Mr. Caruthers: We charge them for the time that it is generally going to take to solve whatever issue brought them to us in the first place. It might be a simple solution that is solved for a couple hundred dollars, like SAT prep or having a financial aid appeal letter written on their behalf. As a perfect example, we have a student over at UCLA and UCLA

completely changed the amount of financial aid this student was getting with no reason. They do not need help filling out forms or deciding what this child's major is, they need help with one specific thing, which is how to appeal to UCLA so this kid can continue to go to school there, because without that, it is not going to happen and the student will have to move home. Because we've done this successfully for so many families in the past, this is a very quick solution, and most likely, we will get the increase we need by being the student's advocate. However, other parents may need substantially more help, so we just price based on the time and effort that we are going to be putting in. Services go anywhere from a couple hundred dollars up to a few thousand depending on what we are doing.

CEOCFO: *In the market you are in, are people learning now that they should be looking for the solutions and not the steps toward finding the answers?*

Mr. Caruthers: I do not know that I do. What I see is a lot of really educated parents in every area except how they are going to get their kid in and how they are going to pay for college. They might have an idea of how to get them in, but how to pay for it and what the schools are looking at when determining financial aid is often just a complete mystery to them. In California, the problem is compounded by one of the worst guidance counselor to student ratios in the country at almost 1,000 students to one guidance counselor. However, many states are in equally dire straits. In that case, even the most well intentioned guidance counselor that is extremely knowledgeable does not have time to sit families or students down and explain to them what they need to be paying attention to. Even in the Internet age, we find parents are more confused than ever about what they are supposed to do, when they are supposed to be doing it, and whether it is even worth it to them or not.

"Many families are amazed to realize that they can receive \$10,000 to \$40,000 a year free for college, even though their friends have often told them they won't qualify for anything, usually because the friends had no idea how the process worked." - Ron Caruthers

CEOCFO: *How do you stay on top of all the changes within the different schools?*

Mr. Caruthers: Number one, I read a lot. We try to pay attention to any changes in Washington about formulas or trends within the industry, while at the same time by working personally with families, we get to see trends as they emerge, so we can better advise our future families that we work with. Also, because we have 17 other offices nationwide, we get to see what is happening in the entire nation, not just in California where we are headquartered.

CEOCFO: *When you are talking with parents and/or students, would you give us an example of a couple areas you work in most? What they might ask the parents or students about so you can get an answer that really encompasses everything?*

Mr. Caruthers: I think there are a couple things, and I will take you through sequentially of what I think is most important. The first is we try to find out if the student has a preference of any schools or careers. Many times there is a school or two they are familiar with, and most of the time they might have a career idea, but it is an only a vague idea. They do not have any real reality of what someone does who does the career of a lawyer or a doctor or any other career they might be interested in. They also often have no idea what any career actually pays in the real world, or even what it costs to run a household. So we start by educating them about their career options and encouraging them to get an internship or two in a field they are interested in, even while they are in high school. For instance, if a student shows up at a law office just a few hours a week over summer and hates every minute of it, we have just saved a lot of time with that kid going to school to be a lawyer, because we know that career is not for them. If they love it, then that is great and we are on the right track. We can continue to pursue that avenue and feel like they have a good shot at being a good lawyer and really enjoying their career. That is really important. The second thing we try to find out is if the student is being realistic in where they want to apply. We get a lot of students who have great 3.0 B grade averages and want to apply to Ivy League schools. Absent than being an absolutely stellar athlete or having some of other completely unique talent, they simply are not going to get accepted, so we want to make sure they are being realistic in where they are applying. The other thing as far as the student goes is many parents and students do not realize exactly what their board scores like SAT and ACT are actually used for. The answer is in many cases they used to determine the amount of Merit Aid a student might receive even more than they are to determine admittance. So, a lot of students just by getting another 50 or 100 points on the SAT or the comparable amount on the ACT, would not just get in, but they might be eligible for a \$5,000 to \$20,000 grant each year. So, a little bit of studying might be worth almost \$100,000 over 4 years. So that is where we generally start with the student. With the parents, there are a couple of key things we look at. When they first come in, we try to evaluate them exactly the way the colleges would to determine what they can afford. The financial aid formula evaluates 101 different items of the family's finances to decide what a family should pay and what the college should give them in the form of financial aid. With a little knowledge, many parents can dramatically lower the amount of money that they are expected to

pay for college, and thus be eligible for a lot more grants and scholarships. So, with just a few legal and ethical changes, a family that understands what the school is looking at can save a ton of money over a family in almost the same situation that didn't understand the rules. And sadly, most families never take the time to find out how the system works. There are also a lot of tax strategies that families can implement that will help them save on the cost of college too that many families miss out on. We also work with families to help them pay their share of the costs in the most efficient way possible, without jeopardizing their ability to have a comfortable, secure retirement.

CEOCFO: Do you find that the parents and kids are typically not on the same page? How can you mediate?

Mr. Caruthers: (laughs) Yeah that can certainly be a problem. Many parents have done it to themselves by telling their kids 'If you get good grades, then we'll send you to any college you want'. Then, it's a shock to them when they find that state schools these days average \$25,000 to \$30,000 a year and private schools are \$50,000 to \$70,000 per year. So yes, we do work to get everyone on the same page with an affordable, realistic plan that works for everyone. Some parents are very resistant to this at first because they don't want to talk to them about money. But our feeling is that when your student graduates from college, they are going to have to make real world decisions that involve budgeting and finances, so why not get them started now. And with student loan debt totaling over one trillion dollars, parents really do need to address this before the student attends school.

CEOCFO: Do you find many parents have taken advantage of most of the 529 plans and some of the programs? Are they even realistic?

Mr. Caruthers: The majority of the families we work with would describe themselves as middle class and upper middle class. We find a disproportionate number have taken advantage of the 529 compared to the nationwide statistics. However, what many parents do not realize is if they are otherwise eligible for aid, often the colleges will punish them for having these investments. Many times, we'll see two families that are in very similar circumstance, but one has a 529 and one does not, and most of the time, the family with the 529 will end up paying more. So, if you have a 529 savings plan, it's worth finding out if you might otherwise be eligible for aid, because if so, it might make sense to get rid of it before applying to the universities. I'm not saying that parents shouldn't save; I'm just saying that a 529 might not be the best place.

CEOCFO: What do you look for in your people? What are the tangible and intangible skill sets that you need for the people in your various offices?

Mr. Caruthers: In expanding our company nationwide, we have had really good success working with people who have had some sort of a tax or education background. They seem to really understand the problem that parents face, and many of our offices are run by parents themselves that have gone through the process and know just how difficult it can be. That is from a tangible side. From the intangible, my business is a communication business. When an office is opened, it is relatively inexpensive to get off the ground, and the footprint we need is very small. Other than a laptop, printer, copier and a phone, they do not need a lot of equipment. What they need instead are people skills and a servant's attitude, because a lot of what we do comes in waves and for many parents, this is one of the most stressful experiences they will ever go through. So we look for people who want their own business and understand that they work a lot harder in some seasons, and they have to be patient and good communicators to really help parents understand a very complex process that has a lot of moving parts.

CEOCFO: What is the key to offering the full range and providing the services that almost anyone could use without seeming to be pushing?

Mr. Caruthers: We have deliberately designed our business model to be consultative and educational. We view ourselves as counselors, rather than salespeople, and everything that we try to do is based on helping the client to understand the process and what all their options are in each situation. Our client relationship generally starts either from a referral from a friend or hearing us speak for their PTA group, speech and debate club. We are also very good at identifying who we can really make an impact on. If that student has no idea where they want to go and they really need help on selecting a career and colleges to apply to, as well as polishing their essays and prepping for SAT, my company is an excellent match for that piece of the puzzle. And for a lot of families that really have no clue how to afford college, even the families that make six-figure incomes and own businesses, we can really help them because if they plan and prepare correctly, they can get a lot of free money to help offset the costs. Many families are amazed to realize that they can receive \$10,000 to \$40,000 a year free for college, even though their friends have often told them they won't qualify for anything, usually because the friends had no idea how the process worked. Well, that really takes lot of pressure off of them and allows the student to receive an excellent education that sets them up for the future without the parents having to go deeply into debt. So, when a family decides to work with us, it is generally a mutual decision where based on their need and us feeling that we are in a really strong position to help them. And, our fee is a fraction of what we save those

families in money, time, and worry. Again, are parents capable of researching this themselves? Absolutely. However, even in the Internet age, it is really difficult to discern the good information from the bad and the stakes are very high because college is so expensive.

CEOCFO: *You have been recognized on the Inc. list, so we know things are going well. How do you continue the trajectory? What might be different a year from now for Ducerus?*

Mr. Caruthers: We have been working very hard on our training and systems to get our offices up and running as fast as possible. We have built a back office for those offices so we can make them financial aid and admissions experts very quickly because we are supporting them with 60+ combined years of experience. We've gone very slowly to get our first eighteen offices up and running profitably and correctly, while refining our training, support and infrastructure. So now, we are looking to add a lot of offices quickly so we can help thousands more families each year.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

Ducerus, Your Total College Solution

For more information visit: www.ducerus.com

Contact: Ron Caruthers 760-814-8591 Ron.Caruthers@ducerus.com

