Journaling #3 Work Assignment, Business Plan– Week #4
Team Astra

FairCare

_Bright Minds, Fresh Ideas Think Tank Summer Internship, Powered by FPP_

July 22, 2021
Business Case

This societal issue initially started 1600’s. There were only nine colleges in Colonial America that are still present in today’s time: Harvard University (1636), the College of William & Mary (1693), Yale University (1701), Princeton University (1746), Columbia University (1754), Brown University (1764), Dartmouth College (1769), Rutgers University (1766), and the University of Pennsylvania (1740 or 1749). From 1990-91 and 2000 - 01, average college tuition fees + auxiliary fees increased by 25% ($26,780 to $33,50). By the next decade, it increased another 30%. Between 2010-11 the tuition decreased by about 15%. One of the main causes for rising costs in education such as college tuition fees is the rise in amount requests for education. Another being a big lack of state funding which is why Chicago has one of the MOST, highest tuition fees throughout the entire country. Since more people attend college today than pre 1980’s, there’s more pressure on government funding the public universities. Federal student aid accounts for most of the college tuition increases between 1987 and 2010, according to the National Bureau of Economic Research. It's simple. The more money students can borrow, the more colleges are able to charge.

Data from colleges:
A student at Barnard in New York City will pay $78,044 for a year of school. Four-year term

Avg cost after aid - $29K

Comprehensive Fee: $1,953.00 per year ($977.00 for Fall and $976 for Spring)

Four year term
2001=$58,078 x 4= $232,312
2021=$78,044 x 4= $312,176

Northwestern University in Evanston, Illinois, charges $78,654 per year. Four-year term

Avg cost after aid - $25K

Student Activity Fee - $225

Four year term
2001=$41,983 x 4= $167,752
2021=$78,654 x 4=$314,616
Harvey Mudd is California's most expensive college. The school in Claremont costs students $79,539 per year. 
Avg cost after aid - $33K
Student Body Fee - 301 (+ 250 orientation fee)
Four year term
2001=$42,410 x 4= $169,640
2021=$79,539 x 4=$318,156
Students at this Ivy League university in New York City pay $79,752 per year. 
After aid - $22,637
Four year term
2001=$41,606 x 4= $166,424
2021=$79,752 x 4= $319,008
A student at the University of Chicago pays $81,531 per year. It is America's most expensive four-year university.
After aid - $26,160
Four-year term
2001=$42,783 x 4= $171,132
2021=$81,531 x 4= $326,124

**Business Plan Description**

**Product(s) and/or Service(s) offered:** At FairCare, we provide loaning services that offers subsidized loans to college students. Through our service, our loan interest will be 2.75%. Our startup loan is 50,000 but minimum loan value is 5,000. We provide a
variety of college textbooks and education services. Our website (FairCare.com) will include a menu on the top that will categorize our online conference sessions into 3 types: Academic, Financial, Behavioral sessions. In the academic sessions, we will offer useful information that will advance and greatly encourage the student in whatever problem/issue they may face during their pre-college/college stages.

**Implementation Strategy** - In our loan forgiveness option, if you’ve fallen into unfortunate circumstances where you simply cannot pay back your loan, what happens next depends on whether you have an unsecured or a secured business loan. Loan forgiveness can be given under certain requirements such as a high enough credit score of 720 or higher. A secured business loan is backed by physical or financial assets as collateral, such as a house, a car, equipment, jewelry, or a savings account, while an unsecured loan is not backed by any kind of collateral. Down the line in our business, our webinars will consist of the 3 sessions. In the financial area, we will advise and help college students learn to budget and how to save money. Also we make sure that they divide their college expenses from their personal expenses. In addition, we will help those who are unbanked and can’t get a bank account due to various issues. We will contact them to the nearest bank or credit union to get them the help they need.

**People Plan/Organizational Structure** - We plan to accommodate for at least 100 students initially. We plan to have 25 workers for our business. We will have our employees attend these students one at a time (mostly throughout appointments via our website)
Finance Plan/Revenue Generation model- Our interest will start at 2.75%. Independents and dependents receive different amounts. For dependents will range from 5,000-70,000 and independent 5,000-50,000.

Executive Summary

Company Overview

Management team: Fair care is run by 3 CEOs, and 20 other workers

Location: 55 E Monroe St, Chicago, IL 60603 $34,000 for a year
Mission statement: Serve our customers with honesty and integrity. Our goal is to provide loans to less fortunate college students with low interest rates (2.75).

Industry Analysis

At FairCare we will give out loans starting at $50,000, but our minimum can range as low as 5,000. When we start our business, we will start at 20 employees working $22.56/hr, full time, 5 days each week.

Marketing Plan

We will estimate an investment amount that shows how we're multifunctional how we have variety. Unlike other competitors like state colleges that only offer academic/career help, we offer affordable webinars that will benefit college students in fulfilling their said needs. In order to get our business out there to the public, we will create flyers that will be sent to various colleges to increase recognition. Advertising Platforms: YouTube,
Twitter, Instagram, Facebook. On top of this we intend to add promotions in which we decrease our interest rates to 2% to appeal to more customers (temporarily during holidays) which in turn gives us more customers.

**Operational Analysis**

People scheduling appointments for loaning and information via our website. We proceed to manage how much money where everything goes.

**References**

State Bank of Illinois  

How much does it cost to advertise on YouTube  

College Students Predicted To Fall By More Than 15 After The Year 2025 -  
College tuition has increased — but what’s the actual cost? - 
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Does Higher College Tuition Lead to Decrease in College Enrollment - 
https://sites.psu.edu/siowfa15/2015/11/30/does-higher-college-tuition-lead-to-decrease-in-college-enrollment/

List of Tuition Costs of Colleges and Universities -
https://nces.ed.gov/fastfacts/display.asp?id=76

Understanding the rising costs of higher education -
https://www.bestvalueschools.com/faq/understanding-the-rising-costs-of-higher-education/
(Great line to use “The cost of higher education has surged more than 538% since 1985.”)

Why College Costs Are Out of Control- https://www.heritage.org/education/heritage-explains/why-college-costs-are-out-control

Why is College Tuition Rising -
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10 Key Facts About Student Debt in The United States -
https://www.pgpf.org/blog/2021/05/10-key-facts-about-student-debt-in-the-united-states

A New Approach for Curbing College Tuition Inflation
https://www.manhattan-institute.org/new-approach-curbing-college-tuition-inflation

How The Cost Of College Went From Affordable To Sky-High
History of College Education
https://college-education.procon.org/history-of-college-education/

The real reason college tuition is so high

What happens if you can't make your business loan payments
https://www.insureon.com/blog/what-happens-if-you-cant-make-your-business-loan-payments