Speaker 1 (00:04):

Good afternoon everyone, and thank you for joining us today. I'm excited to be here to talk to you about Ardeo’s LRAPs. I do have some housekeeping elements to cover with you real quickly. Uh, my name's Doug, I've been marking here at Ardeo, and, uh, I would like to let you know that what you have to say is definitely important to us, even though your phones are muted. So make use of that questions feature that's in the webinar app. All your questions will be answered at the end, and then you'll have a time, uh, at a couple points during the presentation where we'll pause a little bit and let you have some time to answer or to ask a question. We'll also share this presentation with you at the end of the session. Uh, without further do that, I'd like to toss over to my colleague Mondy and have him introduce himself. And thank you for joining us, Mondy.

Speaker 2 (00:47):

Thank you, Doug. I appreciate it and welcome to everyone who's watching and listening online. Uh, my name is Mondy Brewer, Vice President of Client Service here with Ardeo. Uh, I've been with the company since June of 2019, so I haven't been here very long, but as you can see on your screen, uh, I served as a small private, uh, Christian school in Lubbock, Texas for about 20 years. And I held a lot of different posts from marketing and communications, uh, through, uh, retention. I was a professor for a while and was VP for enrollment management twice, uh, before Ardeo education talked me into coming and serving with them, uh, which I've absolutely loved for this past, uh, nine or 10 months or so. Um, I don't tell you all that to brag about my successes. I'm just telling you that because, um, I want you to know that I have been in your shoes as recently as just a few months ago.

Speaker 2 (01:43):

And so, uh, as we begin that we have something in common. We, we, I have been where you have been and, and feel your pain. Uh, today's discussion, we're going to talk about this idea that debt is a fear that is a growing problem, uh, with students and families that we're trying to recruit and encourage to attend, uh, our institutions. I'm going to talk about some strategies for piloting and LRAP. I'm going to talk about how I did them, how I used them at the school I was at, and some o how some other schools are using them. And then, as Doug said, I'm also going to talk, uh, have some time at the end, uh, for some questions. So this is only 30 minutes. I'm going to try to go pretty quickly, and I'm going to stop a couple of times and some places so you can ask some questions.

Speaker 2 (02:26):

But we'll save all of our questions to the end, I do respect your time. I want to make sure we get us out of here in about 30 minutes. So, fear of debt is a real thing. It's a real deal. And these three, uh, statistics always get my attention. Uh, starting on your left, the Princeton Review survey says that 42% of parents were worried about how much debt, uh, their student or their family was going to have to take on to earn a degree. Um, that was a concern that Princeton Review found. Uh, inside higher ed did a poll and found that 81% of admissions directors believe that they are losing, um, applicants because of this fear of debt. And then finally on the right, the one that really got my attention the first time the folks at Ardeo showed this to me, was Credo Research that said that students who didn't, um, end up attending the university, that they, that was their initial choice, would need 4,000 extra dollars in aid to change their mind.

Speaker 2 (03:30):

And I don't know about you guys, but I didn't have an additional $4,000, uh, to award every new student that I had on campus. So I had to come up with a, some other plan to make a difference, uh, uh, with that. So this idea that perception is reality, right? The average debt for a US bachelor's degree in the United States last year was $37,000. Um, and as you might now, I went, you know, think about what that average debt was, uh, is for a bachelor's degree at your institution. I know where I was at in Lubbock, Texas, I was about 7,000 less than that. Uh, you may, if I'm guessing right, you are probably right around 37,000, a little more, a little less. That's the average. Now, I want you to think about what the average debt that's reported in the media and some media stories, right?

Speaker 2 (04:24):

It's 85 4, and that's a huge difference from what reality is. But the fact is, perception is reality. The people that we're trying to recruit are hearing from the media, right? That 85 thousand what it's going to cost, when in fact, that's not what it's going to cost. So this idea that, um, concern about debt is a real deal. We've seen the headlines all of us have is college worth it? Um, the Chronicle is reported over and over inside higher ed. There's a lot of ideas out there that are suggesting that college isn't worth borrowing for, and we all know that that's not true. Along with that, we know that this thing is going to happen in 2026 called, uh, the enrollment crash, whereas the Chronicle actually call it the Looming enrollment crisis, right? So we know that if we think that there's going to be about a 15% drop in the, in the college going age, students across the country.

Speaker 2 (05:24):

So if you look at this forecast map here, if you're one of those, um, schools that's in a red or orange state, um, you're probably pretty worried about what's going to happen in 20. However, if you're in a yellow or blue state, you see some upside, right? So you understand that there's a good chance that I'm going to have at least flat or more students to recruit. What's the problem with that theory, though? That theory is those of us who are in the red and orange states are probably going to move and start recruiting in the yellow and blue states, because technically, uh, that's where the students are going to be. So competition is going to get fierce, right? So we have this idea that, that debt is a problem, or fear of debt is a problem, and then we're even going to have, uh, less students to, to recruit in just a few short years.

Speaker 2 (06:14):

So what do we do, um, to make ourselves look different? What can we do to do what others can't or want to put, set ourselves apart to make us look different? One of the things that I did was I was able to make this promise to the students that I was recruiting, or at least some of them. So if, if you graduate from my school and your income's modest, um, this program will help you repay your federal student loans, Parent plus loans and alternative loans. This is basically what the LRAP promise is, and this is any loan that certified through, uh, your institution's financial aid office. And this was something that I was able to do at the school I was at in Lubbock, Texas, um, for the last four years. And it did make a huge impact on, um, made a huge impact on my enrollment, especially with my incoming classes as I, as I offered a LRAP.

Speaker 2 (07:12):

So you might be wondering, well, what is an LRAP? LRAP stands for Loan Repayment Assistance program, but we partner with institutions to offer this, uh, to grad graduates of your school or students that go to your institution. Basically what it says that if one of your graduates, uh, a partner, if you're a partner of ours, if one of your graduates, um, uh, finishes school and is making less than 43,000. Now that's general. It may be a little different depending on the area of the country that you're from, but 43,000 is the average. LRAPs help repay any loan that's certified through your, uh, school's financial aid office. Now, the other good thing about this program is that colleges only pay when it works. So you would pay an individual student fee for every student every year that the student borrows and, and is enrolled at your institution.

Speaker 2 (08:08):

But when, what we mean by you only pay when it works is if the student enrolls at your school but does not borrow, you're not paying a fee if the student doesn't enroll at all at your college, you're not paying a fee. So you only pay a fee when it works. And then we help communicate that the award's been given to the student. We have a call team, um, and we do some other marketing, um, initiatives to help your students sign up for the LRAP, and then we, we help the graduates. There's no need for your university or your institution, uh, to have extra people on staff to help, uh, administer the aid after the student graduate. So that's what an LRAP is. Now, how does it work for students? Uh, you always think there's got to be a catch to something like this.

Speaker 2 (08:57):

And there is, and, and this is what I asked when I started using this. Well, there's got to be a catch. What's the catch? So it's pretty simple, right? Students graduate and they must graduate from your institution. So if you offer the LRAP to them and they accept that award, it's not transferable to any other university. They must graduate from your school once upon graduation. They must be working an average of 30 hours a week. They must be making less than that upper income threshold I talked about at 43,000. And they must be making their loan payments. One caveat here, they must be working 30 hours a week minimum wage job. And it does not have to be in the discipline, which in which they studied or graduated. They just need to be working a minimum wage job for 30 hours a week and be making their payments.

Speaker 2 (09:47):

Students would ask us for help. We would verify that they're making less than 40, 43,000 a year and are making their payments. We would reimburse them every quarter. So they make three payments. We reimburse them, we provide a hundred percent of the reimbursement. Now, if they're making less than 20,000 a year, we pay 100%. Uh, but if, if they're making between 20- 30000 a year, um, it is prorated and we paid directly to students or the parents. So this is an interesting, um, a pretty neat thing about LRAPs and what Ardeo does. So, for example, if little Johnny comes to my university and, uh, graduates and has unsub and sub loans, and also has, uh, let's say some parent loans, little Johnny graduates, he meets the qualifications to get assistance from Ardeo with his LRAP. Uh, we look at Johnny's, um, income and determine that he is in fact, eligible, and he makes his payments and his parents make the parent plus payments.

Speaker 2 (10:52):

And at the end of the quarter, we cut mom and dad a check, and we cut little Johnny a check. So whoever's making the payment is who's going to get reimbursement from Ardeo and through the LRAP program. So I wanted to take just a minute right here and take a breath. Typically, when I do these, uh, presentations in front of people, this is where that, that are live with me. This is where I get a lot of questions. So I wanted to take a quick breath and remind you about the question box in the, uh, go to webinar section. This is a great time. If you've got a question just to go ahead and, and type it in there before I start feeding you some more information. So it take just a minute, give you a second to ask some questions, go ahead and type those in, and then I'll answer all questions that we have at the end of our time together. We've got about 15 minutes left.

Speaker 2 ([11:50]):

Okay, that's great. So now we know what an LRAP is and how it works for students. So how do schools use LRAPs? Uh, what I'm going to be focusing on today is what you see in the box on the right hand side of your screen, how we typically see, uh, institutions, uh, pilot and LRAP for the first year. So, and I'll talk about how I actually used it as well. So there's two ways you can do this. You can offer selectively, which basically means you offer it to whoever you want, however you want. You can offer it to one student or 100 students. It doesn't really concern us. That's the great thing about, Ardeo's LRAPs is it's very flexible. And the first year or so that I used that, this is what I did. I picked students who I thought were on the fence, who just told someone they were scared about loans.

Speaker 2 ([12:40]):

That's how I offered it to them. Then another way to do this is to target specific groups, right? So if you wanted to target someone in, um, a low discount cell with your, in your financial aid matrix, you could do that. Uh, there's some schools that have decided they want to offer LRAPs to students who are from a different state. So out-of-state students, uh, maybe you want to offer LRAPs to a specific major that you're trying to bolster, or maybe a major that you know, doesn't have a lot of earning power right after graduation. Maybe something like social work or education or a ministry, uh, degree that you know, is not going to be earning a lot, have a lot of earning power after graduation. Maybe you target them. So there's a lot of different ways that you can use it to offer selective or to target it.

Speaker 2 ([13:32]):

Now, the other thing on the far left is this, this idea of marketing to all, and there's two ways you can market to all, although I'm not going to talk a lot about that today. I do want you to have a general idea about what Market to all means. Basically, this is where you would offer LRAP to all of your new students, whether that may all freshmen or all transfers, but a large group you're going to offer it to. And there's two ways you can do this market to all, you can offer it. And that means that the student must sign an agreement that says they understand all the, all of the rules and all the, all the catches at the end, if you will. Or you can provide it to, um, all of your students, and they wouldn't have to sign an agreement. You would just agree that every one of your new students would be in the LRAP program, and we would ask you for borrowing information on those students.

Speaker 2 ([14:28]):

So there's two different ways to do market to all, and then a couple of ways that you can do a pilot, and we'll talk about that next. So I want to tell you about my LRAP story. What my experience was in using LRAPs, how I piloted the program for three years, and then what I did after that. And then most importantly, in my opinion, what the student said about it, and we'll go through this, uh, fairly quickly. So I was at Lubbock Christian University, as I said, in Lubbock, Texas, a small private Christian university, about 2000 students, uh, for three years. Um, I offered it selectively. The first two years that I used it, I offered it to about 15 or 16 students. Those are how many actually accepted, uh, the product of those first couple of years. And I really didn't have any plan for who I was offering it to.

Speaker 2 ([15:26]):

An admissions counselor might come to me and say, Dr. Brewer, I've got a student who said he really would like to come to Lubbock Christian, but he's not going to because he's worried about loans. And I would say, offer him an l a and we would go through, we went through the cycle that way. So that's what happened the first two years, The third year, I offered it to about 60 students, and I did the same, um, plan as I described before. A recruiter would come to me and, and give me a story. I would verify and offer an LRAP, but I also started doing some targeting. I targeted some first generation students, and I targeted some social work majors that got me to a total of 93 students that I offered it to. Over three years, 21 students would not have enrolled without a LRAP.

Speaker 2 ([16:13]):

Now you're going to say, Well, how do you know that this is how we know? Uh, when the student signs the LRAP agreement, at the end of that, uh, process, there's a little survey that we do, and one of the questions we ask them is, Would you have attended this university? Would you have attended LCU without the offer of an LRAP? And if they answered that, they agreed or strongly agreed to that, uh, that's where we come up with this 21 number. And so, 21 of my students, of those 93, said they would not have enrolled without the LRAP, which was powerful because that translated to about $680,000 of estimated, uh, net revenue, um, through the three years after that. And that's after all my LRAP fees were paid. Uh, so that was significant for me in that it influenced some students to come see us and, and enroll who we, who would not have been there at all.

Speaker 2 ([17:14]):

But it also generated net revenue for all of the years that those students were there. So then the next thing that happened was I thought, Well, this went so well that I'm going to offer it to all. Now what, this is my market, uh, my market to all plan was to offer. So they had to sign an agreement with me. We relabeled it from LRAP to the LCU Advantage. Uh, we didn't think LRAP sounded really cool or sexy or neat, or whatever you want to call it. So our marketing team came up with this logo called the LCU Advantage. Now, the little ribbon on the right is what Ardeo provided us when we asked them about offering to all our cost was $978 per student. Ardeo estimated that we would need 12 students to break even. And they come up with that number based on, um, the net revenue of 16,000.

Speaker 2 ([18:10]):

Uh, that comes up with, that comes to, uh, that will give us our break even or how much estimated net revenue we would get. But rather the LRAP coverage fees would end up at 180. So 978 times 12 gives me 180. That's how many students I need to break even. And this is an estimate when they go through this. You can see that my freshman class was three 20, and they assumed that 185 of these students would borrow, I needed 12 to break even. And all this was estimate except for the, uh, the fee. So what happened? So if you follow the blue line around on the little map on the right, you'll under, you'll see exactly what happened. This was for the class of 2019. These kids are all freshmen at Lubbock Christian right now. 240 students enrolled with an LRAP. My fees were 186,000 for that first year.

Speaker 2 ([19:02]):

I ended up meeting 13 students, additional students, uh, to break even. And remember that number of students who said they would not have come to, uh, to that, how many I needed to say they would not have come without an LRAP to break even. So, 13 of us, how many I needed, or 6%. Basically, we ended up with 39 borrowers who said they would not have been at LCU without, uh, the offer of an LRAP.

That's 20%. Now, only 193 of the student, of the two 40 responded to the survey. So it may, the, the number may even actually be a little bigger than this, but, but 20% of that group said they would not have been at LCU without the offer of an LRAP. That's significant. What's more significant than that is this, uh, idea that, well, the fact that we're predicting 1.2 million in that to additional net tuition revenue through graduation from these additional students.

Speaker 2 ([20:02]):

And that is after accounting for all of the fees that you will inc. That I the LCU will incur, uh, from Ardeo's LRAP. So that's what, that's how it made a difference to me. The most important part of all of this stuff is how, what did, how did it make a difference to the students? You know, I mentioned the survey that we ask, uh, students to complete that determines whether or not they would have come to LCU, um, without the offer of LRAP. But this is what, there's a place on that survey where they can type whatever they want into a box, uh, and we can, we gather all of that information for every school. And these are four quotes from students at LCU who actually, um, were offered LRAP, and this is exactly what they said. And, and this was the most powerful part for me.

Speaker 2 ([20:55]):

Not only because I could see it was making a different, it was easing their fear. Uh, but they can see, um, when they graduate that there's going to be this relief and this promise is going to be kept, and it created an affinity for, uh, our university. And another side note is I'm able to use this information, uh, to market to future classes. Uh, so that that's what the student said about it. Now you're thinking, Okay, that's great. That's one way to use it. He piloted for three years and then offered to all, But what are some other ways we can use it? So I'm, I'm almost done. I want to go through three other examples of how some other schools, uh, use LRAPs to pilot. Okay. Faulkner University is a small, private Christian school in Montgomery, Alabama. Uh, they decided that they're going to target, uh, inquiries who had high upside potential.

Speaker 2 ([21:49]):

Any student who had started an application but didn't complete it. Uh, those students who sent Fafsa but never started an application at all, and those who were admitted and had FAFSA submitted after May 1st. So they got pretty serious about who they were going to target. Now, the results were that they got 22 additional students, um, using this approach, or a 3.5 increase in their freshman class, which resulted in 192,000 in revenue, net revenue from that just in the first year. And then you can see 670 over the life of those 22 students at Faulkner University. So they got pretty much in, they got pretty deep into the detail about how they wanted to offer it, and it worked well for them. Another example of, and a different way of using it was Seattle Pacific University who decided that they were going to offer it to any freshman or transfers with an AGI of 150,000 or less.

Speaker 2 ([22:50]):

So that was their target, AGI 150,000 or less. Um, they ended up seeing a 25%, uh, group that said they would not have come without, um, the LRAP. For them, it's about 5.7 million in additional net revenue for the life of those extra students who came because they were offered an LRAP Seattle Pacific. And finally, Greensboro College took a little different take to theirs. They said they wanted to offer a to all freshmen had a gap in their financial aid and needed to take out private and or parent plus loans. So they got very specific about how they wanted to offer it as well. And they enrolled 93 students with an

LRAP and 25 of those said they would not have been there, They would not have enrolled at Greensboro without the LRAP going to. They're going to realize 300,000, uh, in net revenue just for that first year.

Speaker 2 (23:47):

And that's after, that's after their, uh, IAP fees are paid. So there's three other examples of ways that you can use this, and now you're probably asking me, Okay, Mondy, that's all great, but what does it cost? So this is what it looks like, and what I want us to focus on is on the green ribbon in the middle of your screen. Uh, this is an example that we will use, and we're assuming that most, uh, schools are going to have a net tuition revenue of about 15,000. But if you offer it to 30 students, your fees are going to be 36,000. You're going to need three students to say, I would not have attended this institution without the offer of an LRAP. And it's going to cost you $1,200 per student. So you're going to end up spending 36,000 to see a net tuition revenue increase of 450,000. Um, that's, that's the way, best way I can explain to, to us, begin piloting a program.

Speaker 2 (24:41):

And you can see, I'm just going to be honest with you, the fees may be a little different for every school, but this gives us a kind of a general ballpark. And then to the right there, you can see the market to all costs. Well, remember I talked about provided and offered to all. You can see the break even points and the cost per student, um, to, to do a market to all program. So that's LRAP in a nutshell, and we have just a couple of minutes left. Um, Doug, do we have any questions, uh, submitted by anyone?

Speaker 1 (25:14):

Thanks, Mondy. Great work. And, uh, uh, yes, if you could, uh, the question is, uh, explain what kind of training happens on campus, uh, as you roll, uh, pilot program out.

Speaker 2 (25:25):

Yeah, no problem. So the way this works is if you decide you want to do this, obviously the school would sign an agreement with us. We would do a quick intake call where we would find out who the point people are and how many people we would be training. Then we would come to your campus pretty quickly within a week or so. Typically, we spend about a half day at the most with anyone you think that might, uh, be, uh, either offering an LRAP to someone or might, um, might need to answer a question about what LRAPs are. So we have some fun with it. It's very interactive. Typically we see, we do this mostly with, admissions and financial aid offices, but I've also trained coaches and other folks that you think might be, uh, in needing of some information about LRAP. So it's pretty simple to do and we can get it kicked off really quickly.

Speaker 1 (26:22):

Excellent. Thank you very much. Um, that's the balance of the questions that we have at this moment. Uh, we can allow folks to type in for a few minutes. We've got about, uh, two minutes left in, in our time, but I'm happy to also return the balance that two minutes back to folks and to reassure them that we will send them a copy of this presentation and, and diligently follow up with any questions they might have. Are there any parting words that you might like to say, Mondy, before we, uh, give folks back their time for the afternoon?

Speaker 2 (26:48):

Absolutely. Thanks Doug. I would just encourage you to ask a lot of questions. Uh, my email address is there on your screen. Raise your hand, ask me questions. I'll be happy to come see you, talk to you on the phone, do a personal one-on-one webinar with you. Uh, whatever we need to do to get your questions answered. Uh, I promise you that this product works, a great company to work with. I would not be working with them today if I didn't believe in what they were doing. Uh, so feel free to reach out to me. I'll be happy to help you however I can.

Speaker 1 (27:21):

Thank you very much, folks, I hope you have a great afternoon and again, we'll be following up with any questions you might have and don't hesitate to reach out. So thank you so much. Have a good afternoon.