

# Cost-Benefit Analysis Over 15 Years: Worst-Case vs. Best-Case

## Tuition Inputs:

- **Highest Grade Tuition:** \$27,950 per year (per child)
  - **Inferred Average Elementary Tuition:** \$15,931 per year (per child) *(Using a multiplier of 0.57 applied to highest-grade tuition)*
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## Worst-Case Scenario

### Housing Outlays:

- **Modest Home (Average District):**
  - Purchase Price: \$450,000
  - Closing Costs (4%): \$18,000
  - Interest (over 5–6 yrs): \$69,000
  - **Total Outlay: \$537,000**
- **Upscale Home (Wayzata):**
  - Effective Purchase Price: \$680,000
  - Closing Costs (4% of \$700K): \$28,000
  - Interest (over ~8 yrs): \$158,000
  - **Total Outlay: \$866,000**

### Tuition Costs (for 1 child(ren)):

- **Option 1: Full Private K–12:**
  - Elementary (K–8 for 9 yrs): \$143,383
  - High School (9–12 for 4 yrs): \$111,800
  - **Total Tuition: \$255,183**
- **Option 2A: Hybrid – Private K–5 then Public:**
  - Private Elementary (K–5 for 6 yrs): \$95,589
- **Option 2B: Hybrid – Private K–8 then Public:**
  - Private Elementary/Middle (K–8 for 9 yrs): \$143,383
- **Option 3: Full Public (Wayzata):**
  - **Total Tuition: \$0**

Combined Total Outlays (Housing + Tuition) - Worst-Case:

Option	Housing Outlay	Tuition Outlay	Total Outlay
1. Full Private K-12	\$537,000	\$255,183	\$792,184
2A. Hybrid: Private K-5 then Public	\$537,000	\$95,589	\$632,589
2B. Hybrid: Private K-8 then Public	\$537,000	\$143,383	\$680,384
3. Full Public (Wayzata)	\$866,000	\$0	\$866,000

Projected Future Home Values (after 15 years):

- Modest Home Future Value: \$753,907
- Upscale Home Future Value: \$1,139,237

Net Asset ("Remaining Equity") - Worst-Case:

Option	Future Value	Total Outlay	Net Asset
1. Full Private K-12	\$753,907	\$792,184	\$-38,277
2A. Hybrid: Private K-5 then Public	\$753,907	\$632,589	\$121,318
2B. Hybrid: Private K-8 then Public	\$753,907	\$680,384	\$73,523
3. Full Public (Wayzata)	\$1,139,237	\$866,000	\$273,237

# Best-Case Scenario

## Housing Outlays:

- **Modest Home (Average District):**
  - Purchase Price: \$450,000
  - Closing Costs (4%): **\$18,000**
  - Interest (over 1–2 yrs): **\$23,000**
  - **Total Outlay: \$491,000**
- **Upscale Home (Wayzata):**
  - Effective Purchase Price: **\$680,000**
  - Closing Costs (4% of \$700K): **\$28,000**
  - Interest (over 3–4 yrs): **\$70,000**
  - **Total Outlay: \$778,000**

## Combined Total Outlays (Housing + Tuition) - Best-Case:

Option	Housing Outlay	Tuition Outlay	Total Outlay
1. Full Private K–12	\$491,000	\$255,183	\$746,184
2A. Hybrid: Private K–5 then Public	\$491,000	\$95,589	\$586,589
2B. Hybrid: Private K–8 then Public	\$491,000	\$143,383	\$634,384
3. Full Public (Wayzata)	\$778,000	\$0	\$778,000

## Net Asset ("Remaining Equity") - Best-Case:

Option	Future Value	Total Outlay	Net Asset
1. Full Private K–12	\$753,907	\$746,184	\$7,723
2A. Hybrid: Private K–5 then Public	\$753,907	\$586,589	\$167,318
2B. Hybrid: Private K–8 then Public	\$753,907	\$634,384	\$119,523
3. Full Public (Wayzata)	\$1,139,237	\$778,000	\$361,237

### Note:

- The projected future home values assume a 15-year horizon with an annual appreciation rate of 3.5%.
- “Net Asset” here is a rudimentary measure: it’s the projected future sale value minus your total cash outlays (housing plus tuition).
- Worst-case scenarios use higher interest costs (reflecting gradual prepayment), whereas best-case scenarios assume early payoff and lower interest.
- You can adjust the interest figures, growth rate, or tuition multiplier as needed to better reflect your situation.