LESSON PLAN

Paying for School

IT'S A MONEY THING®

INCLUDED IN THIS PACKAGE

- **LESSON PLAN** *(2 pages)*
- **ACTIVITY A** *(1 page)*
- **ACTIVITY B** *(4 pages)*
- **QUIZ** *(1 page)*
- **ACTIVITY A ANSWER KEY** *(1 page)*
- **ACTIVITY B ANSWER KEY** *(2 pages)*
- **QUIZ ANSWER KEY** *(1 page)*

COLLECT FROM YOUR LIBRARY

- **VIDEO 26** *(Student Loans 101)*
- **VIDEO 38** *(How to Save on Tuition)*
- **HANDOUT 26** *(Student Loans 101)*
- **HANDOUT 38** *(How to Save on Tuition)*
- **PRESENTATION 38** *(How to Save on Tuition)*

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LESSON PLAN

Paying for School

GRADES
7 to 12

TIME
45 minutes

OVERVIEW

Paying for school is an important subject that requires a proactive approach, since so much is left up to the individual student. By understanding student loans, grants, awards and scholarships, students can get ahead of the game in financing their education.

GOALS

- Help students understand the different ways to pay for their higher education
- Help students prioritize different sources of school funding
- Break down the basics of federal and private student loans

OBJECTIVES

- Explore three categories of tuition funding—free money, your money and borrowed money
- Identify the main sources of funding for higher education: grants, awards, scholarships and student loans
- Learn the ways in which proactive, informed decisions can help students to save on tuition

ASSESSMENT

Activities A and B can be used to gauge student understanding. An optional quiz has been provided with this lesson plan (the quiz is not factored into the lesson's 45-minute runtime).

*Did you know? This lesson plan explores concepts from Standard 4 (Using Credit) from the **Council for Economic Education's National Standards for Financial Literacy.***

MATERIALS

- ☐ **VIDEO 38**—*How to Save on Tuition*
- ☐ **VIDEO 26**—*Student Loans 101*
- ☐ **HANDOUT 38**—*How to Save on Tuition*
- ☐ **HANDOUT 26**—*Student Loans 101*
- ☐ **PRESENTATION 38**—*How to Save on Tuition*
- ☐ **ACTIVITY A**—*Group Brainstorm and Answer Key*
- ☐ **ACTIVITY B**—*Save or Spend Match and Answer Key*
- ☐ **QUIZ**—*Paying for School and Answer Key*

PREPARATION

- *Gather digital materials (videos and presentation)*
- *Review discussion prompts for* **ACTIVITY A** *and the Answer Key for* **ACTIVITY B**
- *Print* **HANDOUT 38**, **HANDOUT 26** *and* **ACTIVITY B** *for each student*
- *(Optional) Print* **QUIZ** *(Paying for School) for each student*
- *Create a chart on the board for* **ACTIVITY A** *before class. Draw three columns and title them "FREE MONEY", "YOUR MONEY" and "BORROWED MONEY"*

LESSON PLAN

Paying for School

TIMELINE

5 minutes	Introduce topic and Show **VIDEO 38** *(How to Save on Tuition)*
10 minutes	Go over **PRESENTATION 38** to review the ins and outs of saving on tuition
10 minutes	Review **ACTIVITY A**; as a class, make corrections and add additional information as necessary
5 minutes	Introduce and show **VIDEO 26** *(Student Loans 101)*
10 minutes	Review **ACTIVITY B**
5 minutes	Wrap up and distribute **HANDOUT 38** and **HANDOUT 26**
(Optional)	Assessment: **QUIZ** *(Paying for School)*

INSTRUCTIONS

1. Introduce the topic: “When planning your path through higher education, it helps to know how you are going to pay for tuition way ahead of time. Knowing all the options and opportunities out there will help you achieve your education goals while minimizing your post-graduation debt.”
2. Show **VIDEO 38**
3. Go over **PRESENTATION 38** to review the key points of saving on tuition
4. Fill out the **ACTIVITY A** chart on the board with students’ input about the three categories of tuition money. Reiterate that students should first go for ‘free money’, then use ‘your money’ and use ‘borrowed money’ only for what the first two can’t cover.
5. Introduce the next video topic: “Odds are that many of you will need to borrow money for school in one way or another, but many students don’t think about student loans until the last minute, leaving them at a disadvantage.”
6. Show **VIDEO 26** (Student Loans 101)
7. Distribute **ACTIVITY B**
   - Allow some time for students to find their pairs
   - Go over the correct answers as a class, moving any students who aren’t paired up correctly
8. Distribute **HANDOUT 38** and **HANDOUT 26** as take-home materials
9. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class

NOTES

ACTIVITY A

Paying for School

GROUP BRAINSTORM

Directions: Display or recreate the following chart, then fill it out as a group. Have students provide examples of tuition funding sources and organize them by category.

Guiding Questions:
- *Where does the money come from for each tuition source?*
- *What kind of education path might this funding source fit with?*
- *Would this be a first choice or a last resort?*

FREE MONEY	YOUR MONEY	BORROWED MONEY

ACTIVITY B

Paying for School

SAVE OR SPEND MATCH

Directions: Cut out and distribute cards and have students find the 'save more' or 'spend more' behaviour that matches with their own. Display the correct pairs, moving any students who are mismatched.

Went to community college for core credits, then transferred to more expensive school of choice to complete degree	Went straight to expensive school of choice and started in on core credits
Had a course containing material already learned; challenged for those credits, taking a test in order to skip the course	Had a course containing material already learned; stayed in the course and went over the material again in a new setting
Looked at many scholarships, grants and awards; applied for as many as possible	Looked at many scholarships, grants and awards; never got around to applying for any
Looked far and wide for a scholarship, then immediately started gathering information, and applied right away	Looked a bit for a scholarship, then thought that without sports star status or academic perfection, it would be a long shot, so never applied

ACTIVITY B

Paying for School

SAVE OR SPEND MATCH

Directions: Cut out and distribute cards and have students find the 'save more' or 'spend more' behaviour that matches with their own. Display the correct pairs, moving any students who are mismatched.

Found out which grants and awards might help out with school, then followed through and tried for as much extra funding as possible	Found out which grants and awards might help out with school, then figured that others with greater need would get the money, so didn't apply
Applied for grants, awards and scholarships before starting school, then kept up on new deadlines throughout every year of schooling	Applied for grants, awards and scholarships before starting school, then started school and forgot all about it
Had lots of tuition to pay for school, got a part-time job to help keep the cost from adding up	Had lots of tuition to pay for school, decided to focus on studying rather than working part time, and pay the bill after graduation
Had lots of extra expenses for school, enrolled in a work-study program to help keep them from turning into future debt	Had lots of extra expenses for school, decided to study now and deal with the debt later, as a working professional

ACTIVITY B

Paying for School

SAVE OR SPEND MATCH

Directions: Cut out and distribute cards and have students find the 'save more' or 'spend more' behaviour that matches with their own. Display the correct pairs, moving any students who are mismatched.

Got a student loan offer and borrowed as little as possible to prevent debt from piling up	Got a student loan offer and borrowed as much as possible to have extra money for school
Consolidated multiple student loans into a single loan with a lower interest rate	Consolidated multiple student loans into a single loan with a higher interest rate
Found out employer offers funding for employee education, followed up with employer and got the process started	Found out employer offers funding for employee education, didn't bring it up to avoid annoying the boss
Participated in a local service club, and applied for the education funding they offer	Participated in a local service club, but never thought to check if they offer any education funding

ACTIVITY B

Paying for School

SAVE OR SPEND MATCH

Directions: Cut out and distribute cards and have students find the 'save more' or 'spend more' behaviour that matches with their own. Display the correct pairs, moving any students who are mismatched.

Heard about extra grant money that may be available through parents, did the research and worked with parents to get the funding	Heard about extra grant money that may be available through parents, decided to be independent and handle education funding alone
Wanting a loan with more flexible repayment options, applied for a government-funded student loan	Wanting a loan with more flexible repayment options, applied for a private student loan
Wanting student loans that could be easily consolidated later, applied for government-funded student loans	Wanting student loans that could be easily consolidated later, applied for private student loans
Sold old textbooks, tutored other students and worked as a teacher's assistant to earn extra money for school	Kept old textbooks for sentimental value, and ignored tutoring and other on-campus gigs

QUIZ

Paying for School

NAME:

TOTAL
/ 9 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

1. Who do federal student loans come from?
   a. These loans are government-issued
   b. These loans can come from banks, credit unions, schools and other private institutions
   c. These loans come from public-private partnerships
   d. All of the above

2. Where do private student loans come from?
   a. These loans come from public-private partnerships
   b. These loans can come from banks, credit unions, schools and other private institutions
   c. These loans are government-funded
   d. All of the above

3. Which of these statements about federal student loans is false?
   a. The interest rate for federal student loans is set by government
   b. Federal student loans have a fixed rate that is often lower that private loan rates
   c. Certain federal student loans are government-subsidized
   d. There are a range of federal student loans and they all have their own eligibility requirements
   e. None of the above

/3 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

4. TRUE or FALSE — Private loans have more flexible repayment options than government-funded loans

5. TRUE or FALSE — To pay for school, use 'free money', 'borrowed money' and 'your money' in that order

6. TRUE or FALSE — Your employer, your parent's employer, professional associations and local service clubs may all offer education funding

7. TRUE or FALSE — Scholarships are only for sports stars and exceptional students

8. TRUE or FALSE — When dealing with student loans, you should aim to borrow as little as possible

9. TRUE or FALSE — Involving your parents and family in the student loan process is always a bad idea.

/6 pts

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ACTIVITY A KEY

Paying for School

GROUP BRAINSTORM

Directions: Review the chart and add information or make corrections as necessary.

FREE MONEY	YOUR MONEY	BORROWED MONEY
• *Grants* • *Athletic scholarships* • *Need-based scholarships* • *Academic scholarships* • *Awards* • *Your employer* • *Your parent's employer* • *Professional associations* • *Service clubs* • *Financial institutions*	• *Education savings* • *Part-time job* • *Work-study program* • *On-campus gigs*	• *Federal student loans* • *Private student loans* • *Other private loans* • *Credit cards* • *Other lines of credit*
Money comes from: • *Government sources* • *Non-profit sources* • *Private sources*	• *Money comes from:* • *Education savings* • *Working while you study* • *Family*	*Money comes from:* • *Financial institutions* • *Government* • *Schools*

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ACTIVITY B ANSWER KEY

Paying for School

SAVE OR SPEND MATCH

Directions: Match up into 'save more' and 'spend more' pairs, finding the card with the opposite version of the choice shown on own card.

SAVE MORE	SPEND MORE
• *Went to community college for core credits, then transferred to more expensive school of choice to complete degree*	• *Went straight to expensive school of choice and started in on core credits*
• *Had a course containing material already learned; challenged for those credits, taking a test in order to skip the course*	• *Had a course containing material already learned; stayed in the course and went over the material again in a new setting*
• *Looked at many scholarships, grants and awards; applied for as many as possible*	• *Looked at many scholarships, grants and awards; never got around to applying for any*
• *Looked far and wide for a scholarship, then immediately started gathering information, and applied right away*	• *Looked a bit for a scholarship, then thought that without sports star status or academic perfection, it would be a long shot, so never applied*
• *Found out which grants and awards might help out with school, then followed through and tried for as much extra funding as possible*	• *Found out which grants and awards might help out with school, then figured that others with greater need would get the money, so didn't apply*
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• *Had lots of tuition to pay for school, got a part-time job to help keep the cost from adding up*	• *Had lots of tuition to pay for school, decided to focus on studying rather than working part time, and pay the bill after graduation*

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ACTIVITY B ANSWER KEY

Paying for School

SAVE OR SPEND MATCH

SAVE MORE	SPEND MORE
• *Had lots of extra expenses for school, enrolled in a work-study program to help keep them from turning into future debt*	• *Had lots of extra expenses for school, decided to study now and deal with the debt later, as a working professional*
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• *Consolidated multiple student loans into a single loan with a lower interest rate*	• *Consolidated multiple student loans into a single loan with a higher interest rate*
• *Found out employer offers funding for employee education, followed up with employer and got the process started*	• *Found out employer offers funding for employee education, didn't bring it up to avoid annoying the boss*
• *Participated in a local service club, and applied for the education funding they offer*	• *Participated in a local service club, but never thought to check if they offer any education funding*
• *Heard about extra grant money that may be available through parents, did the research and worked with parents to get the funding*	• *Heard about extra grant money that may be available through parents, decided to be independent and handle education funding alone*
• *Wanting a loan with more flexible repayment options, applied for a government-funded student loan*	• *Wanting a loan with more flexible repayment options, applied for a private student loan*
• *Wanting student loans that could be easily consolidated later, applied for government-funded student loans*	• *Wanting student loans that could be easily consolidated later, applied for private student loans*
• *Sold old textbooks, tutored other students and worked as a teacher's assistant to earn extra money for school*	• *Kept old textbooks for sentimental value, and ignored tutoring and other on-campus gigs*

QUIZ ANSWER KEY

Paying for School

MULTIPLE CHOICE

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/3 pts

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