

**Lesson Description**

Students will learn various methods to pay for college, including savings, grants, scholarships, student loans, and work-study. They will create an interactive notebook in which they will record important information about the methods to pay for college learned through classroom discussion and specific websites. Students will investigate deeper about grants and scholarships using online resources.

**Texas Essential Knowledge and Skills (Target standards)**

- **PFL Math 6.14G:** explain various methods to pay for college, including through savings, grants, scholarships, student loans, and work-study

**Texas Essential Knowledge and Skills (Prerequisite standards)**

- **Math 6.1** Mathematical process standards

**National Standards (Supporting standards)**

- **CEE PFL Earning Income 8.2:** People make many decisions over a lifetime about their education, jobs, and careers that affect their incomes and job opportunities.
- **CEE PFL Earning Income 8.4:** People with less education and fewer job skills tend to earn lower incomes than people with more education and greater job skills.
- **CEE PFL Earning Income 8.5:** Investment in education and training generally has a positive rate of return in terms of the income that people earn over a lifetime.
- **CEE PFL Buying Goods and Services 8.7:** The value of a person's savings in the future is determined by the amount saved and the interest rate. The earlier people begin to save, the more savings they will be able to accumulate, all other things equal, as a result of the power of compound interest.
- **CEE PFL Buying Goods and Services 8.8:** Different people save money for different reasons, including large purchases (such as higher education, autos, and homes), retirement, and unexpected events. People's choices about how much to save and for what to save change considerably over the course of their lives and are based on their tastes and preferences.
- **CEE PFL Using Credit 8.7:** Lenders charge different interest rates based on the risk of nonpayment by borrowers. The higher the risk of nonpayment, the higher the interest rate charged. The lower the risk of nonpayment, the lower the interest rate charged.
- **CEE PFL Using Credit 8.8:** People can use credit to finance investments in education and housing. The benefits of using credit in this way are spread out over a period of time and may be large. The large costs of acquiring the education or housing are spread out over time as well. The benefits of using credit to make daily purchases of food or clothing are short-lived and do not accumulate over time.

CEE - Council for Economic Education

**PFL Terms**

- Financial Aid
- Grants
- Scholarships
- Loans
- Work-study
- Federal Application for Student Aid (FAFSA)

**Time Required**

Two 45-minute classes

**Materials Required**

- One copy of **Visual 6.5-1**
- One copy of **Activity 6.5-1** one-sided for each student
- One copy Exit Ticket for every 4 students; precut tickets
- A pair of scissors for each student
- Glue or tape for each student or pair of students
- Pencil colors for each student
- Two blank sheets of paper for each student
- Computer and internet access for each student

**Procedure**

*Prior to today's lesson, the students will need to have an idea as to their post-secondary plan (certification program, 2-year college degree, 4-year college degree, etc.) as well as an area of study interest, and an approximate location or specific school they would like to attend. Students who have completed Lesson 4 will have an idea of possible occupation and the education required.*

**Engage**

1. As students walk in to class, have them write their desired future occupation on the board. Lead a classroom discussion about the occupations by asking the questions listed below.
  - a. Why did you choose this occupation?
  - b. What type of skills will you need for your desired occupation?
  - c. How much post-secondary education will you need for your desired occupation?
  - d. Where will you go to college to learn the skills for this occupation?
  - e. Have you talked to your parents about the cost of college?

**Explain**

2. Distribute 2 sheets of paper, pencil colors and a pair of scissors. Display **Visual 6.5-1**. Tell students that they are going to create an interactive notebook. Read the directions from the visual and model the process for creating the interactive notebook.
3. Instruct students to number the inside pages 1-6 and the back page 7. Have students write their names on the upper right hand corner of the front cover and title the booklet: *How to Pay for College?* Instruct students to create an illustration with the pencil colors on the front cover that depicts the title. The teacher should continue modeling each step of the way.
4. Direct students to title each page as listed below with pencil colors.
  - a. Page 1: Cost of College

- b. Page 2: Grants
  - c. Page 3: Scholarship
  - d. Page 4: Work-study
  - e. Page 5: Savings
  - f. Page 6: Loans
  - g. Page 7: What Can I Do Now to Prepare for College?
5. Distribute **Activity 6.5-1** and glue to each student. Have the students cut out the tables and glue each table to the page of the interactive notebook as indicated in the directions.
  6. Take students to a computer lab. Introduce the lesson by explaining that there is a large range in tuition and fees among colleges. A full-time student takes between 12 and 18 hours. The term “hours” represents the number of hours a student takes per class each week. It also represents the credit a student will receive for completing a course. Therefore if the student passes the course, he or she will earn 3 hours of credits. Investment in education and training generally has a positive rate of return in terms of the income that people earn over a lifetime. This lesson will help the students understand the payment options for a post-secondary education.

**Explore**

7. Instruct students to go to the College Calc website at [www.collegecalc.org](http://www.collegecalc.org). For the **College by State** dropdown menu, choose Texas.
8. Direct students to click on **Public Colleges in Texas** located on the left column. Then find 3 community or junior colleges that they would consider attending. Explain that at a community or junior college, a student can get a certificate or an associate’s degree. A certificate program prepares students for various occupations such as nursing, welding, and computer information technology. An associate’s degree is equivalent to the first two years of college at a university. Record the name of the college and the annual tuition cost in the table on page 1 of their interactive notebook. The teacher will need to point out that universities, community colleges and junior colleges appear on this list. Be sure to select colleges that have the words “community college” or “junior colleges” in the name.
9. Direct the students to find 3 universities that they would consider attending. Explain that a university offers 4 year degrees called bachelor’s degree. Record the name of the university and the annual tuition cost in the table on page 1 of their interactive notebook.
10. Direct students to click on **Private Colleges in Texas** located on the left column. Then find 3 private colleges that they would consider attending.

**Explain**

11. Lead a classroom discussion by asking the questions below.
  - a. *Which types of colleges cost the most? (Private colleges cost more than most four year universities and universities cost more than most community and junior colleges.)* Explain that attending a public university or college in a state in which the student does not reside has significant additional costs.
  - b. *Why is it important to know the cost of tuition? (Getting a college education is a*

**large expense. It is important to plan well in advance before investing in any large purchase. Students who plan early can reduce the time they are in college and ensure that they are spending their money wisely.)**

- c. Besides tuition what other costs can be expected while attending college? (**Sample responses: books, transportation, housing, food, phone, laptop**) Have students record these costs at the bottom of page 1.

Cost of Colleges	
Name of community or junior college:	Tuition
1. Delta Community College	\$2016
2. Victoria County Junior College	\$248
3. Private Junior College	\$1874
Name of four-year college:	Tuition
1. Louisiana State U	\$2540
2. University of Louisiana at Monroe	\$2700
3. Angelo State University	\$2100
Name of private college:	Tuition
1. Louisiana State U	\$2540
2. University of Texas at Austin	\$2890
3. Angelo State University	\$2890

Other costs: books, transportation, housing, food, phone, laptop

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12. Explain that there are many ways to finance a college education. Many college students use multiple financial approaches to pay for college. Next, we will explore the possible methods to finance your college education. Remind students that the most important thing they can do now is to do well in school. Studying hard and doing well in middle school can lead to getting ahead in high school. There are high school courses students can take in middle school such as Algebra I and high school Spanish. In high school, students can get ahead in college by taking dual credit courses or AP courses. In January of students' senior year, they should complete a Federal Application for Student Aid (FAFSA). Before entering college, students will receive a financial aid package based on information provided in the FAFSA.
13. Instruct students to turn to page 2 of their interactive notebook. Tell them that they will now explore the various financial aid programs and other ways to pay for college. Students will fill in the blanks as the class discusses the facts below.
- Grants do not have to be paid back unless you withdraw from school before completing the semester.
  - Grants are awarded based on financial need.
  - To receive a grant, you must complete a Free Application for Federal Student Aid (FASFA).
  - The FASFA is used to calculate the student's Expected Family Contribution (EFC).

Students with “zero-EFC” automatically qualify for the maximum Pell Grant.

- Families can complete a FASFA Forecaster now to estimate the student’s grant award. (Tell students that this website can be located in the table on page 7.)

14. Direct students to draw a line under these facts and write “What types of federal grants are available?” Explain that they will investigate various grants that are available later in the lesson.

**Grants**

- Grants \_\_\_\_\_ have to be paid back unless you \_\_\_\_\_ from school before completing the semester.
- Grants are awarded based on \_\_\_\_\_.
- To receive a grant, you must \_\_\_\_\_ a Free Application for Federal Student Aid (FAFSA).
- The FAFSA is used to \_\_\_\_\_ the student’s \_\_\_\_\_ Family Contributor (s). Students with “zero-EFC” automatically qualify for the maximum Pell Grant.
- Families can complete a \_\_\_\_\_ now to \_\_\_\_\_ the student’s grant award. (See page 7.)

What types of federal grants are available?

- Pell grants for students who have not earned a bachelor’s degree.
- FSEOG is a campus based grant. Not all schools offer this grant.
- TEACH grant for students who will become a teacher.

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15. Instruct students to turn to page 3 of their interactive notebook. Students will fill in the blanks the class discusses the facts below.

- Scholarships do not have to be paid back.
- Scholarships are awarded based on merit. For example a student may get a scholarship based on his grades or athletic ability. Others may get a scholarship based on his or her affiliation to a church or other organization.
- Each scholarship has specific requirements and deadlines.

16. Direct students to write “What types of scholarships are available?” below the table. Explain that they will investigate various scholarships that are available later in the lesson.

### Scholarships

- Scholarships \_\_\_\_\_ have to be paid back.
- Scholarships are awarded based on \_\_\_\_\_. For example a student may get a scholarship based on his or her \_\_\_\_\_ or \_\_\_\_\_ ability. Others may get a scholarship based on his or her affiliation to a \_\_\_\_\_ or other organization.
- Each scholarship has specific requirements and \_\_\_\_\_.

What types of scholarships are available?

- Tylenol - pursuing degree in healthcare (10 to get \$10,000 and 30 to get \$5000)
- Ag Day Essay - \$1000 for 9-12<sup>th</sup> graders for writing an essay of creating a video
- Anne Ford - \$10,000 for learning disable pursuing post-secondary education

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17. Instruct students to turn to page 4 of their interactive notebook. Students will fill in the blanks as the class discusses the facts below.

- Work-study provides part-time job while in college
- Work-study is available to graduate and undergraduate students with financial need.

### Work-study

- Work-study provides part-time \_\_\_\_\_.
- Work-study is available to graduate and undergraduate students with \_\_\_\_\_.

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18. Instruct students to turn to page 5 of their interactive notebook. Students will fill in the blanks as the class discusses the following information.

- Save early and save often. The more you save now, the more you will have for college and the less you will have to borrow.
  - Students with college savings accounts are more likely to go to college.
  - Pay yourself first. Each time you earn money or receive gift money, deposit part of it into your savings.
  - Financial institutions pay you interest on savings accounts, Certificate of Deposits and Money Markets.
  - Consider exploring savings plans with your parents. (See website on page 7.)
19. Direct students to write “Other Types of Savings Plans” below the table. Then ask students to consider exploring other savings plans with their parents. The website can be found on page 7 of their interactive notebook.

<u>Savings</u>		
<ul style="list-style-type: none"> <li>• Save _____ and save _____.</li> </ul>	<ul style="list-style-type: none"> <li>• The more you save _____, the more you will have for college and the less you will have to _____.</li> </ul>	<ul style="list-style-type: none"> <li>• Students with college savings accounts are _____ to go to college.</li> </ul>
<ul style="list-style-type: none"> <li>• _____ yourself _____.</li> </ul>	<ul style="list-style-type: none"> <li>• Each time you earn money or receive gift money, _____ part of it to your _____.</li> </ul>	
<ul style="list-style-type: none"> <li>• Financial institutions pay you _____ on savings accounts, Certificate of Deposits and Money Markets.</li> </ul>		
<ul style="list-style-type: none"> <li>• Consider exploring savings plans with your parents. (See website on page 7.)</li> </ul>		
<p><u>Other Types of Savings Plans</u></p>		
<p>5</p>		

20. Instruct students to turn to page 6 of their interactive notebook. Students will fill in the blanks as the class discusses the following information.
- A loan is money you borrow and must pay back with interest. The interest you pay to a lender is greater than the interest you earn from savings.
  - Federal student loans are awarded based on financial need.
  - To receive a federal student loan, you must complete a Free Application for Federal Student Aid (FAFSA).
  - Federal student loans usually have a lower interest rate than private loans.
  - Keep track of how much you borrow.
  - Consider how much of your future salary will go towards paying your student loans.

Loans

- A loan is money you \_\_\_\_\_ and must \_\_\_\_\_ with interest.
- \_\_\_\_\_ student loans are awarded based on financial \_\_\_\_\_.
- To receive a federal student loan, you must complete a Free Application for Federal Student Aid (\_\_\_\_\_).
- Federal student loans usually have a \_\_\_\_\_ rate than private loans.
- Keep \_\_\_\_\_ of how much you borrow.
- Consider how much of your future \_\_\_\_\_ will go towards \_\_\_\_\_ your \_\_\_\_\_.

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21. Instruct students to explore the types of federal grants and scholarships that are available using the websites on row 2 of page 7. Students will record this information on pages 2 and 3 of their interactive notebook. Encourage students to find a scholarship that fits their profile.
22. Instruct students to turn to page 7 of their interactive notebook. Have them create a list of things they can do between now and high school graduation to prepare for college.

What Can I Do Now to Prepare for College?

1. Develop strong study habits
2. Start saving money now to pay for college
3. Ask parents to help me learn more about financial aid
4. Take dual credit courses in high school
5. Investigate scholarships. Then work towards earning that scholarship.

Purpose	Website
To compare the costs of colleges	<a href="http://www.collegescalc.org">www.collegescalc.org</a> Choose: Texas under the College by State dropdown menu
To explore types of financial aid	<a href="http://www.studentaid.ed.gov">www.studentaid.ed.gov</a> Choose: Types of Aid <a href="http://www.collegeforalltexas.com">http://www.collegeforalltexas.com</a> Choose: Student Choose: Types of Financial Aid
To get an early estimate of your eligibility for federal student aid	<a href="http://www.go4college.com/">http://www.go4college.com/</a> <a href="http://www.studentaid.ed.gov">www.studentaid.ed.gov</a> Choose: FAFSA: Do I qualify for aid? Choose: Estimate Your Aid Choose: FAFSAcaster
To learn about savings plans	<a href="http://www.collegeforalltexas.com">http://www.collegeforalltexas.com</a> Choose: Student Choose: Types of Financial Aid Choose: Savings Plan

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23. Direct students to share their list with another student. Then, have students share their plans with the class. Assign 2-3 scribes to record the ideas on the board.
24. To end the lesson, direct students complete the **Exit Ticket**.

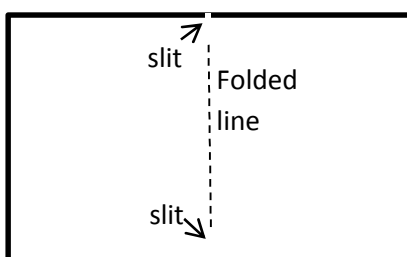
**Extension**

- Encourage students to share and explain their interactive notebook with their parents.

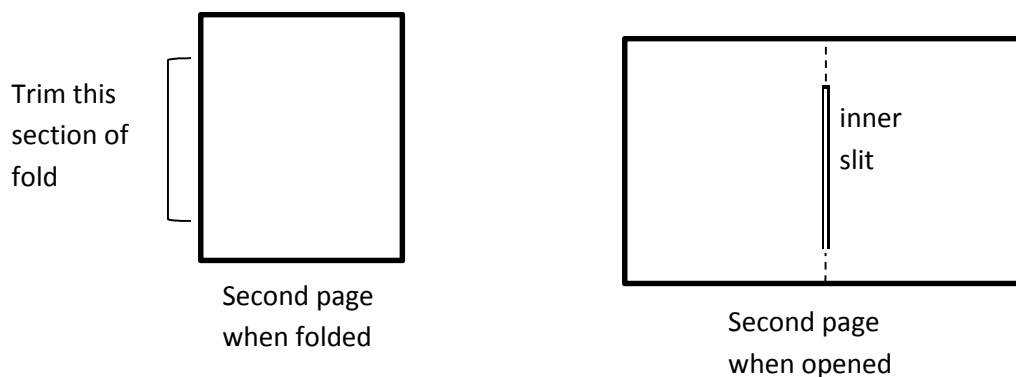
**Visual 6.5-1**
**Steps to Create an Interactive Notebook**

Materials: 2 sheets of paper and a pair of scissors.

1. Stack two sheets of blank paper together and fold along the shortest line of symmetry.
2. Open one sheet of paper. Cut two 1 inch slits along the outer edge of the folded line as shown below.



3. Keep the second sheet folded. Using a pair of scissors, trim the fold starting 1 inch from the top and end 1 inch from the bottom. When the page is open, there will be a slit down the middle as shown below.



4. Open the first page with the outer slits. Roll this page around its longest line of symmetry. Slide rolled page through the slit of the second page. When the rolled paper is inserted halfway through the slit, open the page. The outer slits will be aligned with the fold of the second page to create a booklet.

**Activity 6.5-1**

Glue Table 1 to page 1 of your interactive notebook.

Name of community or junior college	Tuition
1.	
2.	
3.	
Name of four year college	Tuition
1.	
2.	
3.	
Name of private college	Tuition
1.	
2.	
3.	

Glue Table 2 to page 2 of your interactive notebook.

- Grants \_\_\_\_\_ have to be paid back unless you \_\_\_\_\_ from school before completing the semester.
- Grants are awarded based on \_\_\_\_\_.
- To receive a grant, you must \_\_\_\_\_ a Free Application for Federal Student Aid (FASFA).
- The FASFA is used to \_\_\_\_\_ the student's \_\_\_\_\_ Family Contribution (EFC). Students with "zero-EFC" automatically qualify for the maximum Pell Grant.
- Families can complete a \_\_\_\_\_ now to \_\_\_\_\_ the student's grant award. (See page 7.)

**Glue Table 3 to page 3 of your interactive notebook.**

- Scholarships \_\_\_\_\_ have to be paid back.
- Scholarships are awarded based on \_\_\_\_\_. For example a student may get a scholarship based on his or her \_\_\_\_\_ or \_\_\_\_\_ ability. Others may get a scholarship based on his or her affiliation to a \_\_\_\_\_ or other organization.
- Each scholarship has specific requirements and \_\_\_\_\_.

**Glue Table 4 to page 4 of your interactive notebook.**

- Work-study provides part-time \_\_\_\_\_.
- Work-study is available to graduate and undergraduate students with \_\_\_\_\_.

**Glue Table 5 to page 5 of your interactive notebook.**

- Save \_\_\_\_\_ and save \_\_\_\_\_. The more you save \_\_\_\_\_, the more you will have for college and the less you will have to \_\_\_\_\_.
- Students with college savings accounts are \_\_\_\_\_ to go to college.
- \_\_\_\_\_ yourself \_\_\_\_\_. Each time you earn money or receive gift money, \_\_\_\_\_ part of it into your \_\_\_\_\_.
- Financial institutions pay you \_\_\_\_\_ on savings accounts, Certificate of Deposits and Money Markets.
- Consider exploring savings plans with your parents. (See website on page 7.)

Glue Table 6 to page 6 of your interactive notebook.

- A loan is money you \_\_\_\_\_ and must \_\_\_\_\_ with interest.
- \_\_\_\_\_ student loans are awarded based on financial \_\_\_\_\_.
- To receive a federal student loan, you must complete a Free Application for Federal Student Aid (\_\_\_\_\_).
- Federal student loans usually have a \_\_\_\_\_ rate than private loans.
- Keep \_\_\_\_\_ of how much you borrow.
- Consider how much of your future \_\_\_\_\_ will go towards \_\_\_\_\_ your \_\_\_\_\_.

Glue Table 7 to the bottom of page 7 of your interactive notebook.

Purpose	Website
To compare the costs of colleges	<a href="http://www.collegecalc.org">www.collegecalc.org</a> Choose: <b>Texas</b> under the <b>College by State</b> dropdown menu
To explore types of financial aid	<a href="http://www.studentaid.ed.gov">www.studentaid.ed.gov</a> Choose: <b>Types of Aid</b>
	<a href="http://www.collegeforalltexas.com">http://www.collegeforalltexas.com</a> Choose: <b>Student</b> Choose: <b>Types of Financial Aid</b>
	<a href="http://www.gocollege.com/">http://www.gocollege.com/</a>
To get an early estimate of your eligibility for federal student aid	<a href="http://www.studentaid.ed.gov">www.studentaid.ed.gov</a> Choose: <b>FAFSA: Do I qualify for aid?</b> Choose: <b>Estimate Your Aid</b> Choose: <b>FAFSA4caster</b>
To learn about savings plans	<a href="http://www.collegeforalltexas.com">http://www.collegeforalltexas.com</a> Choose: <b>Student</b> Choose: <b>Types of Financial Aid</b> Choose: <b>Savings Plan</b>

## Exit Ticket

The most important thing I learned from today's lesson is

Three types of financial aids are

- 1.
- 2.
- 3.

Name:

Period:

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