

# 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)





# 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*

### TIME LINE

- 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*)
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

### 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.

### NOTES

Notes area with horizontal lines for writing, enclosed in a dotted border.



# 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' behavior 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' behavior 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' behavior 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' behavior 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 than 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

# 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
<ul style="list-style-type: none"> <li>• Grants</li> <li>• Athletic scholarships</li> <li>• Need-based scholarships</li> <li>• Academic scholarships</li> <li>• Awards</li> <li>• Your employer</li> <li>• Your parent's employer</li> <li>• Professional associations</li> <li>• Service clubs</li> <li>• Financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Education savings</li> <li>• Part-time job</li> <li>• Work-study program</li> <li>• On-campus gigs</li> </ul>	<ul style="list-style-type: none"> <li>• Federal student loans</li> <li>• Private student loans</li> <li>• Other private loans</li> <li>• Credit cards</li> <li>• Other lines of credit</li> </ul>
<p><u>Money comes from:</u></p> <ul style="list-style-type: none"> <li>• Government sources</li> <li>• Non-profit sources</li> <li>• Private sources</li> </ul>	<p><u>Money comes from:</u></p> <ul style="list-style-type: none"> <li>• Education savings</li> <li>• Working while you study</li> <li>• Family</li> </ul>	<p><u>Money comes from:</u></p> <ul style="list-style-type: none"> <li>• Financial institutions</li> <li>• Government</li> <li>• Schools</li> </ul>

# 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
<ul style="list-style-type: none"> <li>Went to community college for core credits, then transferred to more expensive school of choice to complete degree</li> </ul>	<ul style="list-style-type: none"> <li>Went straight to expensive school of choice and started in on core credits</li> </ul>
<ul style="list-style-type: none"> <li>Had a course containing material already learned; challenged for those credits, taking a test in order to skip the course</li> </ul>	<ul style="list-style-type: none"> <li>Had a course containing material already learned; stayed in the course and went over the material again in a new setting</li> </ul>
<ul style="list-style-type: none"> <li>Looked at many scholarships, grants and awards; applied for as many as possible</li> </ul>	<ul style="list-style-type: none"> <li>Looked at many scholarships, grants and awards; never got around to applying for any</li> </ul>
<ul style="list-style-type: none"> <li>Looked far and wide for a scholarship, then immediately started gathering information, and applied right away</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>
<ul style="list-style-type: none"> <li>Found out which grants and awards might help out with school, then followed through and tried for as much extra funding as possible</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>
<ul style="list-style-type: none"> <li>Applied for grants, awards and scholarships before starting school, then kept up on new deadlines throughout every year of schooling</li> </ul>	<ul style="list-style-type: none"> <li>Applied for grants, awards and scholarships before starting school, then started school and forgot all about it</li> </ul>
<ul style="list-style-type: none"> <li>Had lots of tuition to pay for school, got a part-time job to help keep the cost from adding up</li> </ul>	<ul style="list-style-type: none"> <li>Had lots of tuition to pay for school, decided to focus on studying rather than working part time, and pay the bill after graduation</li> </ul>

# ACTIVITY B ANSWER KEY

## *Paying for School*

### SAVE OR SPEND MATCH

SAVE MORE	SPEND MORE
<ul style="list-style-type: none"> <li>• Had lots of extra expenses for school, enrolled in a work-study program to help keep them from turning into future debt</li> </ul>	<ul style="list-style-type: none"> <li>• Had lots of extra expenses for school, decided to study now and deal with the debt later, as a working professional</li> </ul>
<ul style="list-style-type: none"> <li>• Got a student loan offer and borrowed as little as possible to prevent debt from piling up</li> </ul>	<ul style="list-style-type: none"> <li>• Got a student loan offer and borrowed as much as possible to have extra money for school</li> </ul>
<ul style="list-style-type: none"> <li>• Consolidated multiple student loans into a single loan with a lower interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated multiple student loans into a single loan with a higher interest rate</li> </ul>
<ul style="list-style-type: none"> <li>• Found out employer offers funding for employee education, followed up with employer and got the process started</li> </ul>	<ul style="list-style-type: none"> <li>• Found out employer offers funding for employee education, didn't bring it up to avoid annoying the boss</li> </ul>
<ul style="list-style-type: none"> <li>• Participated in a local service club, and applied for the education funding they offer</li> </ul>	<ul style="list-style-type: none"> <li>• Participated in a local service club, but never thought to check if they offer any education funding</li> </ul>
<ul style="list-style-type: none"> <li>• Heard about extra grant money that may be available through parents, did the research and worked with parents to get the funding</li> </ul>	<ul style="list-style-type: none"> <li>• Heard about extra grant money that may be available through parents, decided to be independent and handle education funding alone</li> </ul>
<ul style="list-style-type: none"> <li>• Wanting a loan with more flexible repayment options, applied for a government-funded student loan</li> </ul>	<ul style="list-style-type: none"> <li>• Wanting a loan with more flexible repayment options, applied for a private student loan</li> </ul>
<ul style="list-style-type: none"> <li>• Wanting student loans that could be easily consolidated later, applied for government-funded student loans</li> </ul>	<ul style="list-style-type: none"> <li>• Wanting student loans that could be easily consolidated later, applied for private student loans</li> </ul>
<ul style="list-style-type: none"> <li>• Sold old textbooks, tutored other students and worked as a teacher's assistant to earn extra money for school</li> </ul>	<ul style="list-style-type: none"> <li>• Kept old textbooks for sentimental value, and ignored tutoring and other on-campus gigs</li> </ul>

## 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
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2. Where do private student loans come from?
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  - c. These loans are government-funded
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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 than 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