

Talking with your family about paying for higher education

Through research, students build their awareness of scholarships, grants, loans, and work-study options and then share their findings with a parent or guardian.

Learning goals

Big idea

Financial aid — in the form of scholarships, grants, work-study options, and loans — can help pay for higher education.

Essential questions

- How can financial aid help pay for higher education?
- What might be the best option for me when planning to pay for higher education?

Objectives

- Identify types of financial aid
- Organize some basic information about financial aid to present these options to a parent or guardian

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Executive function

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Save and invest (Saving for college), Spend (Paying for college), Borrow (Getting loans)

School subject: CTE (Career and technical education), Social studies or history

Teaching strategy: Blended learning, Project-based learning

Bloom's Taxonomy level: Apply, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Earning income: 8-4, 12-3

Saving: 8-1, 12-9

Managing credit: 8-6, 12-4, 12-5

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail

What students will do

- Research financial aid on selected government websites.
- Find out basic information about different types of financial aid (grants, scholarships, loans, and work-study).
- Talk with a parent or guardian about these options.

Preparing for this activity

While it's not necessary, completing the "Learning how federal financial aid can help you pay for higher education" activity first may make this one more meaningful.

Print copies of all student materials for each student, or prepare for students to access them electronically.

Become familiar with the U.S. Department of Education's Federal Student Aid website at <https://studentaid.gov/understand-aid/types>.

Secure computers or tablets with Internet access for students to conduct research.

What you'll need

THIS TEACHER GUIDE

- Talking with your family about paying for higher education (guide)
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STUDENT MATERIALS

- Talking with your family about paying for higher education (worksheet)
cfpb_building_block_activities_talking-with-family-about-higher-education_worksheet.pdf
- The U.S. Department of Education's Federal Student Aid website:
<https://studentaid.gov/understand-aid/types>
- Computers or tablets with Internet access

Exploring key financial concepts

As you plan for life after high school, you and your parents or guardians can benefit from accessing trusted sources of information about how you might be able to pay for post-secondary education. Financial aid, which comes from federal and non-federal sources and may include grants, scholarships,

work-study, and loans, can help pay for college or other post-secondary programs.

To apply for federal student aid, you or your parents or guardians must complete the Free Application for Federal Student Aid (FAFSA) form. The FAFSA gives you access to federal grants and loans, the largest source of financial aid for post-secondary education. The form costs nothing to complete and submit. It must be completed before the start of each academic year that you're enrolled in a post-secondary program.

TIP

Because financial aid rules and programs change, students should be encouraged to always look for the most up-to-date information.

- ⊕ To learn more about the FAFSA, see the "All about FAFSA" handout at https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_all-about-FAFSA_handout.pdf or visit <https://studentaid.gov/apply-for-aid/fafsa/filling-out/help>.

Teaching this activity

Whole-class introduction

- Ask students how someone could reduce the cost of higher education.
 - Answers may include taking classes in high school for dual college enrollment or to build skills and earn certifications, saving and earning interest so they can grow their money, or building their resumes so they can receive scholarships.
 - Be sure they understand that talking and planning with their parents or guardians can help them become as prepared as possible for the costs of higher education.
- Read the "Exploring key financial concepts" section to students.
- Be sure students understand key vocabulary:
 - **Contributor:** Refers to anyone (you, your spouse, a biological or adoptive parent, or your parent's spouse) who is required to provide information, consent, and approval, and a signature on the FAFSA form.
 - **FAFSA – Free Application for Federal Student Aid:** This form is used by a school to determine how much a student and their family are eligible to receive in federal financial aid. The FAFSA may also be used to determine a student's eligibility for state and school-based aid. It may influence how much private aid a student receives.

- **Federal student loans:** These loans are funded by the federal government and have terms and conditions that are set by law. Federal loans also include benefits that private student loans don't usually offer. These benefits could include lower interest rates, repayment plans based on income, and possible loan forgiveness, such as for people who choose to work for a certain amount of time in government or for certain not-for-profit organizations or teach in a low-income school.
- **Federal Work-Study:** A program that provides part-time jobs to help you earn money to pay for college expenses.
- **Financial aid:** Money given in the form of grants, work-study, loans, and scholarships to help pay for post-secondary tuition and fees, housing and food, books, supplies, miscellaneous expenses, and transportation.
- **Grant:** A type of financial aid that does not have to be repaid, unless, for example, you withdraw from school and you need to pay back some of the grant money because your eligibility for the grant changes; often need-based.
- **Loan:** Money that needs to be repaid by the borrower, generally with interest. (You'll have to pay interest on student loans.)
- Post-secondary education: Includes all forms of schooling after high school, not just college.
- **Private student loans:** These loans are from private organizations, such as banks and credit unions, which set their own terms and conditions. Private loans generally lack many of the protections of federal student loans.
- **Scholarships:** Money that students receive based on academic or other achievements to help pay education expenses. Scholarships generally don't have to be repaid.

Individual and group work

- Distribute the "Talking with your family about paying for higher education" worksheet.
- Tell students that they'll explore the U.S. Department of Education's Federal Student Aid website at <https://studentaid.gov/understand-aid/types> to learn about financial aid options.
 - Be sure to explain that the federal government isn't the only source of financial aid and that they'll also review non-federal sources of financial aid.

- Students can work with a partner or in small groups to conduct research, but they should complete their own worksheet.
- Students will click on the links to learn more about types of financial aid. Federal student aid is organized into grants, loans, and Federal Work-Study, though students may find other options through the educational institution they choose to attend or in their community.
- Students will take notes in their worksheets. For each type of financial aid, they will:
 - Describe the type of financial aid and how it can help them pay for higher education.
 - Provide examples of possible options.
 - Determine whether they would be eligible for each financial aid option.
 - Describe how they would apply for the option.
 - Report whether they'll need to pay this money back after they finish the program.
- In the reflection question, students will review three non-federal financial aid sources described on the website and choose a source that might apply to their situation.
- As a final step, students will take a few minutes to plan their conversations with their families. They'll identify who they're going to speak with and when the conversation will take place. Then, they'll take a moment to consider different ways higher education could be useful to them. They'll also predict questions and concerns the person they talk to may have, so they can plan to have information to address them.

Wrap-up

- Bring the class back together to debrief and share their learning.
- Students can brainstorm and plan some strategies for introducing this information to a parent or guardian.
- Students also can plan for when and where to have this family conversation.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing (including saving for college), spending (including paying for college), and borrowing, including getting loans. Suggested activities include "Creating a presentation on 529 plans", "Composing songs and verses about paying for college", and "Planning your financial path to college graduation".

As an extension activity, have your students explore scholarship opportunities, using the Department of Labor's website at <https://www.careeronestop.org/toolkit/training/find-scholarships.aspx>.

Measuring student learning

Students' answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students' answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

SCORING RUBRIC

	Possible points	Points earned
Description	20	
Examples	20	
Am I eligible for this option?	12	
How do I apply for this option?	12	
Will I need to pay this back?	12	
Reflection question	14	
Planning the conversation	10	
Total points	100	