

Preparing to pay for education after high school

After brainstorming ways to save for education after high school, students create a foldable that highlights ways to pay for postsecondary education.

Learning goals

Big idea

You have a choice about how you pay for your education. Federal financial aid is one option that can help you reach your education goals.

Essential questions

- What are different ways you can pay for higher education?
- How do these payment methods impact your finances?

Objectives

- Identify common ways to pay for higher education
- Differentiate between ways to pay for higher education that do need to be paid back later and those that don't

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: Middle school (6-8)

Age range: 11-14

Topic: Save and invest (Saving for college, Saving for long-term goals)

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

Teaching strategy: Cooperative learning, Project-based learning

Bloom's Taxonomy level: Apply, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 8-1

Saving: Standards 4-1, 4-2, 8-1, 8-2

Managing Credit: Standards 4-2, 8-1, 8-3, 8-6, 12-4, 12-12

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

- Brainstorm options for paying for education after high school.
- Watch a video from the U.S. Department of Education about federal financial aid.
- Identify which options have to be paid back and which don't.
- Create an interactive graphic organizer to present these options.

Preparing for this activity

While it's not necessary, completing the "Reflecting on what's worth saving for" 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 short video on financial aid options from the Federal Student Aid website, sponsored by the U.S. Department of Education, at
<https://www.youtube.com/watch?v=Pn4OECMTh5w&feature=youtu.be>.

Obtain a computer and a projector or large monitor to show the video.

Gather 8½-x-11 paper, scissors, and markers for students to use.

Review the steps on page 3 to make a two-tab foldable.

What you'll need

THIS TEACHER GUIDE

- Preparing to pay for education after high school (guide)
cfpb_building_block_activities_preparing-pay-education_guide.pdf
- Computer and a projector or large monitor
- Federal Student Aid video on financial aid options at
<https://www.youtube.com/watch?v=Pn4OECMTh5w&feature=youtu.be>

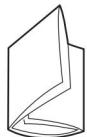
STUDENT MATERIALS

- Preparing to pay for education after high school (worksheet)
cfpb_building_block_activities_preparing-pay-education_worksheet.pdf
- Paper, scissors, and markers

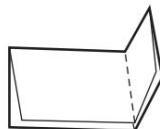
Make a two-tab foldable



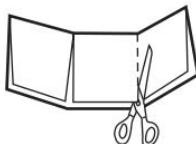
- Fold the sheet horizontally, like a table tent.



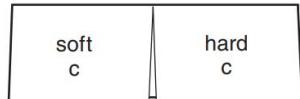
- With the paper horizontal and the fold at the top, fold the paper in half.



- Open the fold. There should be a visible fold line down the center.



- Place one hand between the two sides of the paper to separate them.



- Cut along the fold line of one side of the paper, creating two tabs.

Exploring key financial concepts

Education after high school can be expensive. Many people use a variety of ways to pay for their education. One common way is to take out student loans. For many student borrowers, that means years of paying back the money plus interest. However, there are other ways to pay for higher education that don't require years of paying the money back. These include saving money, seeking grants or scholarships, and getting work-study jobs while going to school. While it is not always possible, the more money you save, the more prepared you'll be and the more choices you'll have.

TIP

Because options for paying for post-secondary education change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Distribute the “Preparing to pay for education after high school” worksheet.
- As a class, generate ideas about ways to pay for college or other higher education options (like career school, training programs, etc.).
 - Some possibilities include personal savings, part-time jobs, scholarships, federal student aid, work-study programs, education or training vouchers, aid for military service, academic or athletic awards, birthday or high school graduation gifts.
- Students should use their worksheets to write down the ideas generated by the class so they can refer to them later.
- Introduce students to the idea that financial aid – which includes grants, scholarships, work-study, and loans – can help pay for higher education.
- Be sure students understand key vocabulary:
 - **Borrower:** A person or organization that borrows something, especially money from a bank or other financial institution.
 - **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 Work-Study:** A program that provides part-time jobs to help you earn money to pay for college expenses.
 - **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.
 - **Savings:** Money you have set aside in a secure place, such as in a bank account, that you can use for future emergencies or to make specific purchases.
- Explain that they’ll watch a video from the Federal Student Aid website,

TIP

Visit CFPB’s financial education glossary at consumerfinance.gov/financial-education-glossary/.

sponsored by the U.S. Department of Education, to learn more about financial aid options: <https://www.youtube.com/watch?v=Pn4OECMTh5w&feature=youtu.be>.

- Ask students to take notes about grants, loans, and work-study on their worksheet as they watch the video.
- Show the video.
- Discuss the key financial aid options mentioned in the video.
 - As you discuss each option, encourage students to add to their notes on their worksheets.
 - Talk about which options require students to pay back the money and which don't.
- Ask students to reflect on and discuss how saving for education after high school might be an additional option.
 - They should take a moment to capture their thoughts on their worksheet.

Individual work

- Pass out the materials for making a two-tab foldable.
- Model how to make the foldable.
- Explain that they'll label one tab "Need to pay back" and the other "Don't need to pay back."
- Students will then make their own foldables.
 - They'll draw from the list created by the class and the information they learned from the video to categorize payment options that need to be paid back and those that don't.

Wrap-up

- Bring the class back together and discuss the ways students sorted the list.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing, including saving for college, saving for long-term goals, or saving for short-term goals. Suggested activities include "Visualizing a savings goal" and "Comparing higher education choices" and "Using a student loan calculator."

Measuring student learning

Students' graphic organizers can give you a sense of their understanding.

This answer guide provides possible answers for the "Preparing to pay for education after high school" worksheet. **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.

Answer guide

(Left outside flap)	(Right outside flap)
Need to pay back	Don't need to pay back
(Left outside flap)	(Right inside flap)
Answers may vary but could include: <ul style="list-style-type: none">▪ Federal student loans▪ Private student loans	Answers may vary but could include: <ul style="list-style-type: none">▪ Grants or scholarships▪ Work-study jobs▪ Savings