

Paying for College

Finding the right fit

PwC's *Earn Your Future*™ Curriculum

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Introduction

“The reality is that all children don’t know the basics of saving and investing. It’s a skill they need to be successful in our economy.”

-Education Secretary Arne Duncan, April 2011.

Recent history underscores the immediate need for youth to develop skills in math and financial literacy, and yet, current data shows there is a lack of access to curricula for students to learn:

- A 2011 survey conducted by American Express found that a majority of parents with children in high school or college gave schools below-average or failing grades in teaching responsible spending.
- A 2012 survey by Junior Achievement and Allstate Foundation showed 23 percent of teens are uncertain about their ability to budget successfully.
- Despite the fact that 13 states mandate personal finance coursework as a high school graduation requirement, there is no national legislation mandating that it be a requirement in schools.*

The enclosed lesson plan about financial literacy is designed to increase students’ proficiency in financial literacy. Your expert knowledge and real-life examples, coupled with this one- hour lesson plan aligned to national standards in personal finance education, will fill a critical gap in our current education system, and better prepare the next generation of leaders to make sound financial decisions and be productive citizens.

We applaud your efforts to bolster students’ understanding of concepts critical to the health of our economy and stability of our nation. Furthermore, we thank you for serving as an ambassador for PwC, reinforcing our commitment to helping students improve their skills in financial literacy and to youth education overall.

Lesson description

Students will gain tools necessary to choose a college or university that will best meet his or her needs and abilities - academically, socially, philosophically, and financially. Students will learn about the selectivity of various academic institutions, and get an understanding of financial aid options that are available during the admissions process.

Grade(s)

9-12

Lesson time

45-60 min

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Pre-visit prep

- Review the 5-minute prep to familiarize yourself with the lesson topic and vocabulary
- Review handouts to familiarize yourself with their structure and requirements
- Obtain lesson materials listed under “Materials” section below

Student learning objectives

Students will:

- Define key terms: financial aid, cost of attendance, selective college
- Identify obstacles and opportunities associated with the college admissions process
- Identify factors that are most important to them when choosing a college/university
- Learn how college selectivity relates to the admissions and financial aid process

Materials

For up to 30 students, obtain ahead of time:

Class/group

- Chart paper OR blackboard/whiteboard/LCD projector
- Markers

Student (one per student~30 copies)

- Handout A – Finding the Right Match
- Handout B - Understanding Financial Aid and Scholarships
- Handout C - College Budget Planning Worksheet
- Handout D- Your Sample College Budget

5 Minute Prep

Background

Admission to college is the culmination of the high school experience. There is no one perfect school; rather, a good match for each student. The ultimate goal is to help each high school senior choose a college or university that will best meet his or her needs and abilities -- academically, socially, philosophically, and financially.

Vocabulary

- **Financial Aid:** Money to help pay college costs.
- **Scholarship:** Cash grant for academic promise.
- **Grant:** Cash given for need, rather than for academic record.
- **Loan:** Cash that must be repaid after graduation.
- **Work-Study:** Job provided by the college to help earn part of expenses.
- **Cost of Attendance (COA):** A student's cost of attendance at a postsecondary institution includes: tuition and fees; room and board expenses while attending school; allowances for books and supplies (including a reasonable allowance for renting or purchasing a personal computer); transportation; loan fees for federal student loans (if applicable); dependent-care costs; costs related to a disability; and other miscellaneous expenses.
- **FAFSA (Free Application For Federal Student Aid):** FAFSA forms become available in October of the senior year. All students applying for any federal financial aid must file this form as soon as possible after January 1. Analysis of the data on this form will determine eligibility for Pell Grants; Supplemental Educational Opportunity Grants (SEOG); Stafford Loans (subsidized and non-subsidized); Perkins Loans; work-study; and other federal and, in some cases, state programs.
- **CSS (College Scholarship Service) Profile™:** Separate from the FAFSA, each college may have its own financial aid form which is used to help their financial aid offices determine a student's eligibility for the institution's own funds.
- **Major:** Properly, the field of specialization of a college undergraduate. The student normally does from one-quarter to one-third of his or her total undergraduate work in this major field.
- **Selective College:** A selective institution will set stiff requirements in terms of promise and demonstrated academic ability rather than simply in terms of specific courses taken. The degree of selectivity may vary from the college that accepts three out of four of its applicants to one which accepts only one out of eight.

Sources

Background information and vocabulary adaptations based on information from:

- *Council for Economic Education 2011 Survey of the States
- College budget information adapted from University of Michigan sample aid package <http://www.finaid.umich.edu/TopNav/AboutUMFinancialAid/SampleAidPackages.aspx>
- College budget information adapted from Williams College sample aid package, <http://admission.williams.edu/affordability/sample-awards>
- FAFSA information and updates, <https://financialaidtoolkit.ed.gov/tk/learn/fafsa/updates.jsp#2017-18-changes>

Pre and Post Assessments

Before beginning the lesson, facilitators should introduce themselves and **distribute** the Pre-Assessment to the students. If time allows, consider conducting a mini icebreaker before the Pre-Assessment.

Note: It is highly recommended that facilitators read the questions aloud to the students and encourage students to select answers as they move through the questions. Reassure the students that the assessments are not graded tests or quizzes, and they do **not** need to put their names on the assessments. The assessments are a tool to measure classroom comprehension of a given module and gauge effectiveness of instructor delivery.

Collect the Pre-Assessments once completed.

Facilitators should teach the lesson to the students and administer and collect the Post-Assessment at the end of class, **keeping in mind the same considerations outlined above**. Again, students do **not** need to put their names on Post-Assessments.

Lesson activities

Greeting

Say: Good morning/afternoon everyone. My name is _____. Thank you for inviting me to spend time with you today. Today we are going to discuss something that might seem like it is a long way away. We are going to talk about ways to plan for paying for college so that you are able to find schools that best match your abilities and needs. Identifying schools that you seriously want to consider is hard work. Consider the opinions of others, but remember that the final decision must be made by you and your family.

Activity A – Why Go to College? (7 minutes)

Materials

Class/Group

- Chart paper OR blackboard/whiteboard/overhead projector
- Markers

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Ask: How many of you want to go to college?

Count the number of hands.

Ask: *Why* do you want to go to college?

Select several students to share responses.

Do: Write responses on board.

Say: Share some other potential reasons to attend college: Prepare for a career; broaden your education; make a good living; expand your network; build a foundation for life-long success.

Ask: Is there anyone who is worried about college?

Scan the room for hands.

Say: Ask probing questions to continue the discussion. Examples include: What are you worried about? Is anyone worried about paying for college? Is anyone worried about going away from home?

Select several students to share responses.

Say: What you're feeling and the worries you are experiencing aren't that different from any other student...you probably have a lot more in common with your peers, than you realize.

Say: Making decisions about your post-secondary future can be both scary and exciting. It will test the patience and tolerance of you, your parents and everyone involved. But the process can be a manageable one!

Activity B – College Selection Matters (20 minutes)

Materials

Class/Group

- Chart paper OR blackboard/whiteboard/overhead projector
- Markers

Handouts (one per student)

- Handout A - Finding the Right Match

Ask: Where are you going to college?

Select several students to share responses.

Say: If you haven't heard that question already, you probably will soon. Where do you begin to find the college that is right for you?

Say: There are many types and sizes of nationally and regionally accredited colleges, universities, and technical schools in the United States, and like the students who attend them, they are all different. Understanding that there is not a single, perfect college will make the application process more challenging.

Say: Think of what factors are most important to you when choosing a college. I want you to spend the next 10 minutes completing this handout answer as many questions as you can.

Do: Distribute **Handout A - Finding the Right Match**

Allow 10 minutes for students to begin completing the handout

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Ask: What did you identify as the most important factor(s) for you when choosing a school? Why?

Select 2-4 students to share ideas.

Say: College selection is very important. Selective schools can open doors for you; are more generous with financial aid; produce higher graduation rates and better employment opportunities; and create a higher lifetime earning potential.

Say: It is recommended that you apply to between six to eight colleges. Your selection should include two or three “reach” or “dream” schools, two or three colleges where you have a better than 50 percent chance of acceptance and two schools where acceptance is basically guaranteed. All of these schools should be schools you have an interest in attending.

Say: Applying to a school doesn't mean you have to go there. The wider the range of colleges that you apply to, the more options you have to consider for financial aid. But, getting into a school does not necessarily mean that you will get enough scholarship money. That's why, the more options you have, the better!

Say: The key is to find schools that best match your abilities and needs.

Activity C – Planning for College Payments (25 minutes)

Note: If running short on time, consider skipping handout D and providing an overview of a sample college budget.

Materials

Class/Group

- Chart paper OR blackboard/whiteboard/overhead projector
- Markers

Handouts (one per student)

- Handout B - Understanding Financial Aid and Scholarships
- Handout C - College Budget Planning Worksheet
- Handout D -Your Sample College Budget

Say: College costs have increased in recent years at public and private schools. Before you cross a college off your list because of its price tag, remember that financial assistance is available for qualified students at most institutions. Colleges determine what you can afford on the basis of information you and your family provide on confidential forms. These forms, the CSS PROFILE form (PROFILE) and the Free Application for Federal Student Aid (FAFSA), are used throughout the nation.

Say: Many colleges and universities that charge a lot also provide a lot of financial aid. Therefore, just because a school costs more does not mean you will pay more to attend.

Ask: Which is better: School X that costs \$51,000 to attend and you receive a \$45,000 scholarship; or School Y that costs \$12,000 to attend and you receive a \$2,000 scholarship?

Select 1-2 students to answer.

Say: Yes, attending School X would actually cost you less money than attending School Y. Don't let cost alone determine your future. The extra cost of attending one school rather than another is small when you divide it by the number of years this education will serve you over the long run.

Say: For many families, a key piece of the college admissions process may center on financial aid. Financial aid policies will vary from school to school.

Say: Financial aid consists of loans, scholarships, grants and work-study.

Do: Write the four financial aid categories on the board.

Ask: Who can tell me, out of those four categories, which is money that has to be repaid?

Allow for 1-2 responses.

Say: Yes, a loan is cash that must be repaid. Scholarships and grants do not have to be repaid, and are given on academic and financial merit; while, work-study allows students to work in exchange for payment.

Distribute Handout B - Understanding Financial Aid and Scholarships

Say: It will be important to know the different types of financial aid that will be available to you. Each school will have specific requirements for financial aid, so it is vital that you understand and comply fully with these requirements.

Distribute Handout C - College Budget Planning Worksheet and Handout D - Your Sample College Budget

Say: Here's a sample budget and a blank college budget template.

Say: Let's break into groups of about four people per group.

Do: Help the students arrange themselves into groups.

Say: Now, look at the sample budget. We're going to talk about this as a group for a few minutes before you get started on your activity.

Ask: What do you notice?

Allow students to reflect on the categories, budget numbers, or other items in the budget.

Say: You can see from glancing over this budget worksheet that there are various fees and expenses to consider when planning how to pay for college. This worksheet allows you to create a budget based on how much it costs to attend a school, as well as factor in financial aid that you receive from schools.

Say: In your groups, talk through each item in the budget and think about what it means. Decide whether it's a direct cost or an indirect cost. A direct cost is an expense that you are billed for; an indirect cost is an expense that you must pay out of pocket. Direct and indirect costs are combined into the cost of attendance. You'll have a few minutes to talk things over and then we'll review together.

Do: Write these two terms on the board so students can refer to them.

Ask: All set? Ok, go.

After about 7-8 minutes,

Say: Ok, about one more minute left.

After another minute,

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Say: Time's up.

Ask: What did you come up with? Can I have someone from each group tell everyone about what you talked about and what ideas you had about the budget?

Allow each group to share their ideas. If time allows, facilitate some Q&A amongst the groups.

Say: All colleges and universities expect you and your parents to contribute as much as you can to the cost of your education, but they realize that college costs may strain your family's budget. They will do their best to bridge the gap between what you can afford and what the college costs.

Activity D – Closing reflections (3 minutes)

Ask: What's something you thought about today for the first time?

Allow several students to share their ideas.

Ask: Use some probing questions to continue the discussion for a few more minutes. Examples include: What was something you learned about the financial aid process? What was the hardest thing about creating a college budget? Can you name one thing you will now do when researching colleges?

Say: Be sure to research all options and keep an open mind. Look for schools that will challenge you academically and will make you stretch yourself beyond your comfort zone.

Say: If you and your family will not be able to support the full cost of your education, you should apply for assistance. At many very expensive colleges and universities, one-half to three-fourths of the students receive financial assistance.

Say: Thank you all for your hard work. I want you to remember what we talked about and start taking steps today to start preparing for your future academic and financial security.

Evaluation/assessment of student learning

During lesson/in-class

- Students learn the importance of school selection in the admissions process
- Students evaluate college choices to broaden financial aid options
- Students use budgeting information and knowledge of financial aid options to devise a plan for saving and investing for college payment

Ideas for post-lesson assessments

- Explore the importance of SAT and ACT scores, and how these scores are associated with college selectivity

Extensions/enrichment

- Students aged 13 and older can download PwC and JA's free app titled JA Build Your Future from Apple App or Google Play stores on their tablets or smartphones. The app is a tool that assists teens in making more informed financial decisions when evaluating future career paths.
- Students can explore potential majors and minors by visiting various websites:
 - www.collegeboard.com – College Board
 - www.usnews.com/usnews/edu/eduhome.htm
- Students can find additional information on scholarships and financial aid by visiting various websites:
 - www.StudentAid.ed.gov – US Department of Education's Student Financial Aid Guide
 - www.fafsa.ed.gov – FAFSA on the web. Fill out the Financial Aid application online
 - www.fastweb.com – FastWeb
 - www.finaid.org – comprehensive information on financial aid
 - www.salliemae.com – leading national provider of student aid and free searchable scholarship database
 - www.collegeboard.com/student/pay/scholarships-and-aid/index.html – College Board
 - www.collegenet.com – CollegeNET Inc.
 - www.fastaid.com – private database compiled by author Dan Cassidy
- Students can find information related to standardized testing by visiting various websites:
 - www.act.org
 - www.collegeboard.com
 - www.eprep.com
 - www.ets.org
 - www.kaplan.com
 - www.number2.com
 - www.princetonreview.com
- Students can find information on school comparisons by visiting various websites:
 - <https://collegescorecard.ed.gov/>