

12th Grade Lesson Plan: Budgeting & Financial Aid

I. Objective

Students will learn about the value of income, budgeting, and saving money.

Activity A: Students will apply learned knowledge about budgets to use the Texas Reality Check website.

Activity B: Students will create a budget from their financial aid award letters.

II. Lesson Plan

Students are expected to: (A) understand how, why, and when to complete grant and scholarship applications and the Free Application for Federal Student Aid (FAFSA) provided by the U.S. Department of Education; (B) research various sources of funds for postsecondary education and training, including student loans, grants and scholarships, and other sources such as work-study and military programs; and (C) analyze the advantages and disadvantages of various sources of funds for postsecondary education and training, including student loans, grants and scholarships, and other sources such as work-study and military programs.

III. Materials

Activity A

- Computer with internet access
- Website: www.Texasrealitycheck.com

Activity B

- Types of Financial Aid handout, one per student
- Individual student award letters (If applicable, instruct students to bring on day of activity.) or use the sample award letter
- Show students video from Student Aid website (Both links lead to the same video, test link before activities to see which works with your browser.)
 - <https://youtu.be/6Ib-bdko5cE?list=PL948CEA4FBAD3AE4D>
 - <https://studentaid.ed.gov/sa/prepare-for-college/budgeting>
- Hand out Summary Reflection at the end of activity.

IV. Procedure

Activity A

Introduce the subject with basic budget questions.

- Why is a budget important?
- Why is saving important?
- What are the advantages of creating a budget?

Summarize the responses for your students. Introduce the activity, letting students know you will be using a website to discuss cost of living. Using your classroom projector, go to the website <http://www.texasrealitycheck.com/>. Walk classroom through the process, asking questions. This allows students to make choices about their future lives and know the real cost. Allow students to select various scenarios for cost of living. Emphasize “needs” vs. “wants”. Focus on degree/college selection and ask students to look at salary differences between certificate/associate degree/bachelor’s degree/and master’s degree earnings.

Activity B

(Adapted from PBS, The Real Cost of College)

Introduce the lesson by asking students if they have plans to go to college and if they have an idea how much it costs. Have students research cost of attendance for their first choice of college. Instruct them that this information will be used later on in the activity. Then, discuss with students how they plan to pay for college. Some possible answers could be student loans, out of pocket, scholarships or parent support. Hand students ‘Types of Financial Aid’ worksheet and explain the featured types of financial aid. Mention that financial aid may not be enough to cover the cost of attendance. Next, show students the video from the Student Aid website on budgeting. Teachers should mention any scenarios they encountered when they were in college, or give a situation that may affect a student’s cost of attending. Hand out Budget Worksheet and instruct students to plug in the information they found for the college they researched in Cost Column. Next, tell students to input the information from their award letters into the funding column. **While students can use the Types of Financial Aid Sheet for reference, they should note that the amounts mentioned are not what they should use on their budget sheet. Instead students should read their award letter or sample award letter to verify what financial aid they will be receiving for their budget sheet.** Are students covered financially, or is there a gap? Remind students to keep in mind the Texas Reality check activity when completing their budget. Have students write a brief summary of what they learn from the activity. Students should reflect on their budget sheet by asking themselves:

- What changes am I willing to make?
- What can I give up to help cover my cost?
- What programs are available to help me out financially?
- What expenses would I need to cut out?
- Do I need to work part-time or full-time?

Budget Worksheet



Cost

Tuition	
Fees	
Books and Supplies	
Housing (Rent)	
Utilities and Phone	
Food	
Clothing	
Laundry	
Transportation	
Health Care (Medical/Dental)	
Entertainment and Recreation	
Personal Expenses	
Child Care	
Miscellaneous	
Annual Expenses	

Funding

Money from Savings	
College Savings Plan	
Prepaid Tuition Plan	
Money from Parents and/or Spouse	
Work-Study	
Other Employment	
Spouse's Earnings	
Scholarships	
Grants	
Pell Grant	
School Grant	
Loans	
Subsidized Stafford	
Unsubsidized Stafford	
Perkins	
Other Loans	
Veterans Benefits	
Education Tax Benefits	
Other Student Aid	
Total	

Financial aid is money to help you pay for college or vocational training after you complete high school. This aid may come from different sources: The U.S. federal government, the state government, the college/university you attend, or a private organization. The information below outlines the different types of financial aid and provides brief explanation of its benefits and requirements.

Grants: Grants are usually need-based and do not have to be repaid. Grants can come from the federal government or the state government.

Federal Pell Grants: Amount available changes yearly. The maximum award for 2018-2019 school year is \$5,920.

- You must complete the Free Application for Federal Student Aid (FAFSA) yearly, available Oct.1
- You must be a U.S. citizen or an eligible non-citizen
- Amount of grant will vary if you are part-time student; must attend at least half-time
- Available for undergraduate students seeking first bachelor's degree
- Does not have to be repaid; only eligible for 12 semesters or roughly six years.

Federal Supplemental Educational Opportunity Grant (FSEOG): Provides between \$100 and \$4,000 a year.

- You must complete the FAFSA
- Be a U.S. citizen or an eligible non-citizen
- Amount of grant depends on financial need, when you apply (funds are on a first come, first serve basis), and the amount of aid from other sources you receive.
- Available to full-time or part-time students
- Does not have to be repaid

TEACH Grant: Provides grants of up to \$4,000/year to students who plan to complete course work to begin a career as a teacher.

- You must complete the FAFSA
- Be a U.S. citizen or an eligible non-citizen
- You must agree to teach in a high-need field at a school or educational agency serving low-income families for at least four academic years

Scholarships: Scholarships are often merit-based aid and do not have to be repaid.

- There are thousands of scholarships offered by schools, nonprofits, private companies, community organizations, religious groups, etc.
- Many are merit-based, but many are also geared toward particular groups of people such as women, first generation college students, high school seniors, or military family members
- Each scholarship has its own requirements and deadlines for applications; monetary amounts vary from scholarship to scholarship

Loans: Loans are money you borrow that must be paid back with interest over time. Loans can come from the federal government or from private sources (such as banks).

Subsidized loans – Available to undergraduate students with financial need. U.S. government pays the interest that accrues while you are in school.

Unsubsidized loans – Available to both graduate and undergraduate students, but you do not need to demonstrate need to receive it. However, you will be required to pay for all interest accrued, even for periods of time where you are in school.

Stafford Loan: Federal student loan that is intended to supplement family resources, scholarships, grants and work study jobs.

- You must complete the FAFSA
- Fixed-rate loans
- Loan is not based on need
- No payments while you are in school, repayment begins after graduation
- May be subsidized or unsubsidized by the U.S. government

Federal Perkins Loan: Provides up to \$5,500/year for undergraduate students.

- Loans for undergraduate and graduate students with exceptional financial need.
- Subsidized by the government
- Not all colleges/universities participate in the Perkins Loan Program (so be sure to check the ones you are interested in).

Parent PLUS Loan: Available to parents to cover any additional costs of college for their students.

- You must complete the FAFSA
- Accrues interest while in school, higher interest rate than other loans
- The borrower must not have bad credit history

Work Study Jobs

Federal Work Study

- Provides part-time jobs while you are an undergraduate student if you have financial need (as determined by FAFSA).
- Jobs can be on or off campus; hours worked will be limited
- Positions pay by the hour, rates will at least meet federal minimum wage
- Emphasizes civic education or work related to your course of study
- Students should check with their school's financial aid office to see about placement opportunities.

SAMPLE UNIVERSITY

Dear Joe Sample:

GENERAL INFORMATION

The Office of University Financial Aid has prepared this statement using the following criteria:

Academic Level: Undergraduate Freshman
Dependency Status: Dependent
College: Undergraduate
Major/Program of Study: Non-Declared Major
Housing Category: On-Campus Housing

ESTIMATED COST OF ATTENDANCE:	\$55,000
Tuition and fees:	\$39,000
Housing and meals:	\$13,000
Books and supplies:	\$ 1,000
Personal and miscellaneous:	\$ 2,000

AWARD

Description	Fall	Spring	Total	Accepted Y/N
1 President's Scholarship	\$10,000.00	\$10,000.00	\$20,000.00	Y/N
Federal Pell Grant	\$600.00	\$600.00	\$1,200.00	Y/N
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$500.00	\$500.00	\$1,000.00	Y/N
2 State Scholarship	\$450.00	\$450.00	\$900.00	Y/N
3 Federal Work-Study (FWS)	\$1,500.00	\$1,500.00	\$3,000.00	Y/N
Federal Perkins Loan	\$1,250.00	\$1,250.00	\$2,500.00	Y/N
Federal Stafford Loan – Subsidized	\$1,750.00	\$1,750.00	\$3,500.00	Y/N
Federal Stafford Loan – Unsubsidized	\$1,000.00	\$1,000.00	\$2,000.00	Y/N
Total:			\$34,100.00	

If any of the information in the table above is incorrect, please contact the Office of Financial Aid in writing or via the Ask the Counselor service.

Office of University Financial Aid
 Sample University, 199 State Street, 4th Floor, City, MA 02009
 800.555.1212 www.sampleuniversity.edu