

Learning how federal financial aid can help you pay for higher education

After watching a video describing basic types of federal financial aid, students answer content-based questions about financial planning for college.

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 the ways the federal government can help me pay for college?
- How do these payment methods impact my finances?

Objectives



- Analyze various types of federal financial aid
- Evaluate how the ways to pay for college relate to our finances

What students will do

- Watch a video about federal financial aid and/or read about the topic on selected U.S. Government websites.
- Answer questions based on what they learned from these sources.

KEY INFORMATION

Building block:

-  Executive Function
-  Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

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

School subject: CTE (Career and technical education), English or language arts, Fine arts, Math, Science, Social studies or history

Teaching strategy: Direct instruction

Bloom's Taxonomy level: Understand, Apply

Activity duration: 45-60 minutes

STANDARDS

Council for Economic Education
Standard II. Buying goods and services

Jump\$tart Coalition
Spending and saving - Standard 1
Financial decision-making - Standards 1, 2, and 8

Preparing for this activity

- Print copies of all student materials, or prepare for students to access them electronically.
- Preview the U.S. Department of Education video (and corresponding web page) online (<https://studentaid.ed.gov/sa/types>) before conducting this activity to familiarize yourself with the content.
- Preview the CFPB's "Your financial path to graduation" tool at <http://consumerfinance.gov/gradpath>.

NOTE

Set up your classroom to play the video for the whole class or arrange for students to have individual access.

What you'll need

THIS TEACHER GUIDE

- Learning how federal financial aid can help you pay for higher education (guide) [cfpb_building_block_activities_learning-federal-financial-aid_guide.pdf](#)

STUDENT MATERIALS

- Learning how federal financial aid can help you pay for higher education (worksheet) [cfpb_building_block_activities_learning-federal-financial-aid_worksheet.pdf](#)
- U.S. Department of Education video "Types of Federal Student Aid" at <https://studentaid.ed.gov/sa/types>
- The CFPB's "Your financial path to graduation" tool at <http://consumerfinance.gov/gradpath>.

Exploring key financial concepts

As they plan for life after high school, students and their parents can benefit by accessing trusted sources of information about ways 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.

Teaching this activity

TIP

Whole-class introduction

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

- Distribute the “Learning how federal financial aid can help you pay for higher education” worksheet.
- Be sure students understand key vocabulary:
 - **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 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:** When money is given in the form of grants, work-study, loans, and scholarships to help pay for post-secondary tuition and fees, as well as related expenses such as room and board, books, supplies, 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 tuition money; 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.)
 - **Private student loans:** These loans are from private organizations, such as banks and credit unions, which set their own terms and conditions. Private loans are generally more expensive than federal 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.
- Explain to students that they'll watch a short video called “Types of Federal Student Aid” twice. (The video is 2 minutes and 14 seconds.) Tell students that while the activity focuses on federal aid, it's not the only aid available.
 - As they watch the video the first time, they should take notes capturing key ideas.
 - Then they'll answer the questions on the worksheet, noting any they can't answer.
 - While watching the video a second time, they'll concentrate on the details they missed the first time so they can add to their notes and complete the worksheet.

Individual work

Students will work individually to answer the questions on the worksheet.

Wrap-up

- Review answers to questions, making sure students understand the essentials about federal student aid and other resources to pay for higher education.
- Engage students in a discussion about their attitudes and ideas about their post-secondary options and how they might pay for the costs associated with these plans.

Suggested next steps

Consider searching for other CFPB activities that address the topics of saving and investing, including saving for college, and the topic of borrowing, including getting loans.

Measuring student learning

Students' responses will provide you a snapshot into their understanding.

This answer guide provides possible answers for the "Learning how federal financial aid can help you pay for higher education" worksheet.

Keep in mind that students' answers may vary. The important thing is for students to have reasonable justification for their answers.

Answer guide

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| 1. The Office of Federal Student Aid (An Office of the U.S. Department of Education) | 5. StudentAid.gov or http://consumerfinance.gov/gradpath |
| 2. Tuition, room and board, books, and supplies | 6. Work-study |
| 3. Free Application for Federal Student Aid | 7. Grants and scholarships |
| 4. Lower | 8. Loans |