

Name:	Date:
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INTRO

MATCH IT UP

- Match the type of college with the average annual cost in 2019-2020.

Type of College	Cost Per Year
Private College	\$7,345
Public College, in the state you live	\$11,260
Public College, in a different state	\$27,120
Community or Junior College	\$41,426



LEARN IT

INFOGRAPHIC: [Focus on Net Price, Not Sticker Price](#) [[←CLICK FOR LARGE VERSION](#)]

Whoa! College tuition costs a lot of money. Luckily, most students don't actually pay the full price. Review this graphic to understand more.

Four-year public college



Sticker Price

The college's published tuition and fees



Gift Aid & Tax Benefits

(free money you don't have to work for or pay back) plus education tax benefits



Net Price

The difference between the two — the real amount your family pays (typically with loans, savings and income)

Note: Figures shown are averages for four-year public colleges and their in-state, full-time students for the 2015-16 school year. Real amounts will vary.

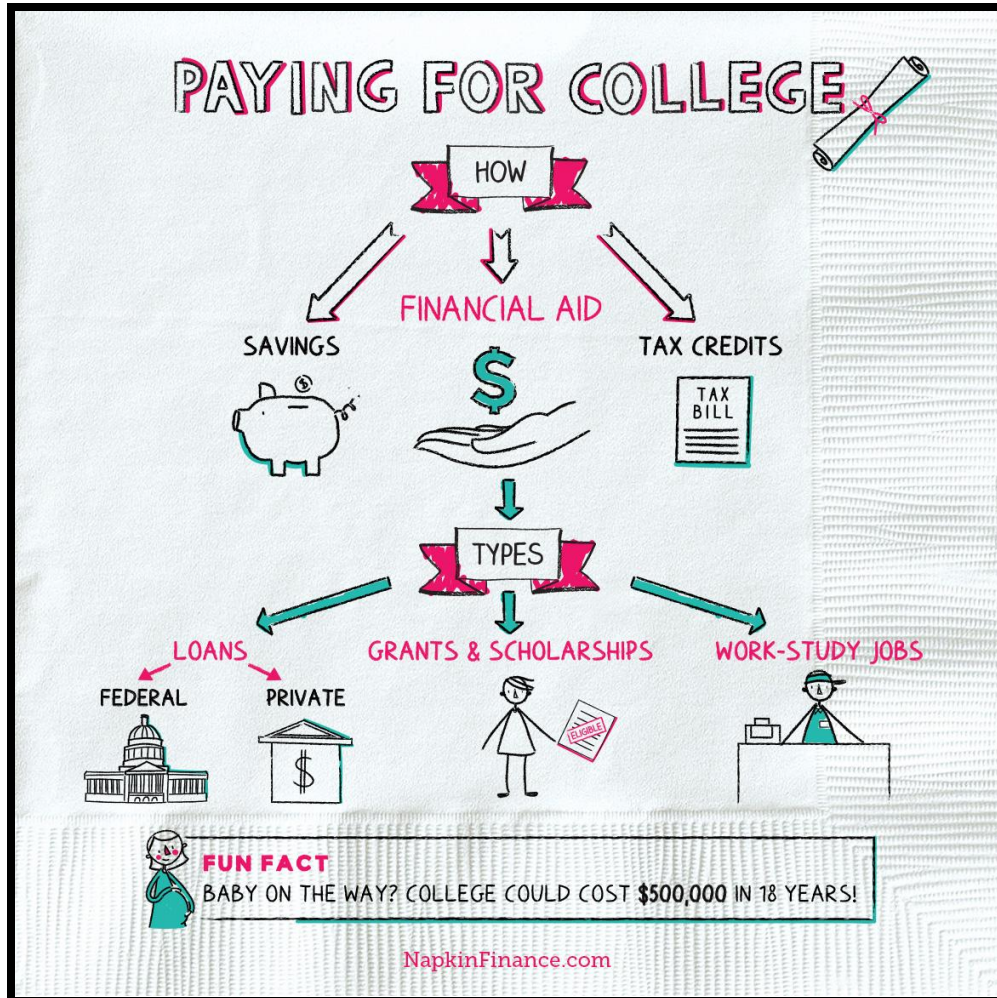
1. Why do college applicants want as much "gift aid" as possible?

2. If Lance wants to attend a college with a sticker price of \$12,500 and he qualifies for gift aid of \$6000, what will Lance's net price be? Who pays this net price?

3. What are some options for how Lance could pay for the net price?

INFOGRAPHIC & TERMS: [Paying for College](#) [←CLICK FOR LARGE VERSION]

Let's dive a little deeper into the various ways that Lance, or any other college student, could pay for college.



Financial Aid, Terms Explained

- > Scholarships and grants—aka free money!
 - > Scholarships are typically awarded on merit—such as for academics, athletics, or even playing Pokemon ([seriously](#)).
 - > Grants are typically awarded on financial need.
 - > Both can be offered by colleges themselves, private organizations, and/or various levels of government.
- > Work-study jobs
 - > Provide part-time jobs for students with financial need.
 - > Unlike other jobs, income from work-study doesn't typically hurt your ability to qualify for financial aid.
- > [Loans](#)—federal and private
 - > Federal loans typically offer a better deal, with lower interest rates and more flexible repayment options.
 - > Private loans can have higher rates and don't offer as much wiggle room on payments.

[Source](#)

1. Lance sees an essay contest that has a \$2000 scholarship as the prize. He's not a great writer, so he's not sure he will win. Should he bother to apply? Why or why not?

2. On a scale of 1-5, rank the ways to pay for college from BEST option (1) to WORST option (5).

_____ Spend your savings

_____ Scholarship or grant

_____ Federal loan

_____ Private Loan

_____ Work study job

EDPUZZLE: Paying for College

You can earn a scholarship for having excellent grades, playing a sport, doing community service, winning a contest, or other achievements. But, there are other ways to minimize your college costs.

1. How can transferring from a community college or testing out of courses minimize your college costs?
 - a. Both options will result in scholarships or grants
 - b. Both options reduce the number of credits you'll need to pay for at a 4-year college
 - c. Both options will make you smarter and more likely to earn straight As
2. Which of these is NOT a likely source of scholarship funding?
 - a. Government
 - b. Nonprofits
 - c. Your or your parent's employer
 - d. Professional groups
 - e. Your parents
3. Why is it a good financial decision to work part-time during college?
 - a. You can pay some of your tuition as you go, rather than taking loans
 - b. Students with work-study jobs earn more credits for each course they take
 - c. You will pay fewer taxes, so you can contribute that unused tax money to your college costs
4. What's the best advice on how much money to borrow in student loans?
 - a. Borrow less than you need, and just hope they don't kick you out before graduation
 - b. Borrow only what you need for college costs and basic needs
 - c. Borrow the maximum amount so you have a fun, exciting time during college



DO IT

MATH: The Net Price of College

It's important to know how much your net price for college will be so that you can figure out a payment plan to cover it. Let's help some students determine the net price they will pay.

Example A: Grace and Abbot College

Grace wants to attend Abbot College, where the sticker price is \$50,000 per year. She's put together this list of how she might pay for college:

- _____ She has saved \$2,500 from summer jobs
- _____ Her wealthy grandma has given her \$2,500 as a high school graduation gift
- _____ Abbott College is giving her a \$30,000 per year grant
- _____ She also won a \$1000 scholarship for winning an essay contest
- _____ Her parents said they will pay \$5,000 each year
- _____ The nonprofit where her mom works is giving her an annual \$2,000 scholarship.

1. Use the following codes to categorize each fund amount. Write one code on each line above:
 - Family Contributions - F
 - Gift Aid - G
 - Income - I
 - Savings - S
2. What is the net price for Grace at Abbott College during her first year?
3. When you consider savings and family contributions, how much of the cost for her first year does Grace have to cover using loans?

4. Do you think Grace is making a good decision to take out this amount of loans? Explain your answer.

1. Raheem and Sojourner Truth University

Raheem has his heart set on being a first-year student at Sojourner Truth University next fall, where the sticker price is \$17,000. Here is the financial planning he has done:

_____ He has been awarded \$3,000 per year for a field hockey scholarship

_____ He plans to work the summer before college and thinks he'll be able to save \$6,000 of his pay to use during college

_____ His parents have saved since his birth and can contribute \$4,000

_____ He qualifies for a \$1,500 grant from the state, which he'll receive again next year if he meets the same income requirements

5. Use the following codes to categorize each fund amount. Write one code on each line above:
- Family Contributions - F
 - Gift Aid - G
 - Income - I
 - Savings - S
6. What is the net price for Raheem at Sojourner Truth University during his first year?
7. When you consider savings and family contributions, how much of the cost for his first year does Raheem have to cover using loans?
8. What happens to Raheem's loan balance if he spends far too much of the money he makes this summer at his job and only manages to save \$2000?

9. How might Raheem's money available in the second year differ from this first year?

2. Tuan and Baker County Community College

Tuan is planning to get an associate's degree in office management from Baker County Community College, where the sticker price is \$8,500 per year. He has the following funds available:

_____ He has saved \$8,000 by working part-time since he turned 16.

_____ His outstanding high school grades earn him a \$2500 per year merit scholarship from the college

_____ His favorite aunt gave him \$500 as a high school graduation

_____ The Vietnamese Cultural Center in his hometown has awarded him a one-time scholarship check of \$1000

10. Categorize each fund amount using the following codes:

- Family Contributions - F
- Gift Aid - G
- Income - I
- Savings - S

11. What is the net price for Tuan at Baker CCC during his first year?

12. When you consider savings and family contributions, how much of the cost for his first year does Tuan have to cover using loans?

13. Tuan loves to plan ahead. Explain what Tuan's financial plan for his second (and final) year at community college will look like, assuming the sticker price does not increase.

3. Miley and Western Dakota State University

Miley plans to go out-of-state to Western Dakota State University to major in petroleum engineering, and the sticker cost of that school is \$32,000. Her financial planning, so far, includes:

_____ Miley's parents agree to provide \$4,500 per year

_____ She receives \$1,000 in high school graduation gifts from friends and family

_____ She qualifies for \$3,000 in work-study funding once she gets a campus job

14. Use the following codes to categorize each fund amount. Write one code on each line above:

- Family Contributions - F
- Gift Aid - G
- Income - I
- Savings - S

15. What is the net price for Miley at Western Dakota State University during her first year?

16. When you consider savings and family contributions, how much of the cost for her first year does Miley have to cover using loans?

17. The maximum amount of federal student loans Miley can qualify for is \$5,500. How much would she need to borrow in private student loans to cover her balance?

18. Is Miley making good financial decisions around college? Why or why not?

19. What suggestions do you have for Miley?



EXIT TICKET

1. Describe the difference between sticker price and net price for college tuition.

2. Which of these TWO college payment options are considered “gift aid?”
- a. Federal loans
 - b. Grants
 - c. Savings
 - d. Scholarships

3. Identify two ways you can plan ahead to make college more affordable.