FINANCIAL LITERACY

LESSON 12-17 ▲ ACCEPTING A FINANCIAL AID PACKAGE

**LEARNING GOALS/OUTCOMES**

* Components of a financial aid package.
* Student choices and responsibilities in regards to a financial aid package.
* Apply the basic constructs of a financial aid package to their own college situation.

**MATERIALS NEEDED**

* **Student Handouts:**
* Comparing Costs Worksheet
* **Sample financial aid packages**

**CLASSROOM ACTIVITIES**

1. **Ask students how they would approach buying a big-ticket item and what kind of shopping or research they might do in advance.** Make a list on the board of the strategies students suggest. Apply this to investing in higher education. This is an investment for students and families and it is important to be a comparison shopper.
2. **Divide students into teams of three.** Hand out packets of the three financial aid award letters so that students each have a letter. Explain to students that they will need to be able to answer the following questions as a “family” considering college for the freshmen year:
   * Is the school that offers the most financial aid the best match for finances overall?
   * Which financial aid package is most workable for you as a student and for your family?
   * Which financial aid package best matches your long-term goals?
3. **Model each of the following steps for students based on your choice of a financial aid letter.** Allow students in the groups to complete the step individually and then compare the information as a small group.
   * Cost of Attending College as estimated by the college/university
   * Determination of Estimated Family Contribution (EFC)
   * Total financial aid offered by the college or institution.
   * List of additional scholarships the student may receive
   * What is the net cost (subtracting everything except loans)
   * What options best fit the student/family for remaining costs.
4. **Ask the small groups to consider the three comparison questions**. Have the small groups report out.
5. **Ask students to make a personal list** of what their total “package” for paying for college will be including financial aid, family support, jobs or loans.

**STUDENT PRODUCTS**

* **Completed *Comparing Costs Worksheet***
* **Completed list of student college finance package**

**ADDITIONAL RESOURCES AND OTHER INFORMATION**

* **SUPPLEMENTAL FACILITATOR NOTES**

The focus for this workshop is on comparing financial aid packages. Hopefully, students will be more critical of what colleges are offering them in terms of financial aid and be able to make more effective decisions about loans. The workshop can be delivered in one of three formats; a) as a whole group directed exploration, b) as small groups with an assigned package and compared as a class, and/or c) as a small group where three individuals share the information about three different packages. The following workshop plans is written for the last alternative. It is very helpful if facilitators have worked through the example with at least one of the financial aid letters so that you can model the information for students.

* **Washington Student Achievement Council**

[www.wsac.wa.gov/sfa-overview](http://www.wsac.wa.gov/sfa-overview)

Overview of financial aid in WA State

* **Free Application for Federal Student Aid (FAFSA)**

[www.fafsa.ed.gov](http://www.fafsa.ed.gov)

Official site for information and FAFSA application.

* **Ready, Set, Grad’s Washington Application for State Financial Aid**

[readysetgrad.org/WASFA](http://readysetgrad.org/WASFA?_ga=1.168581670.603567252.1432686586)

WASFA – Financial Aid for undocumented students

* **FAFSA Information for Counselors and Mentors**

[financialaidtoolkit.ed.gov/resources/2017-18-fafsa-updates-counselors.pdf](https://financialaidtoolkit.ed.gov/resources/2017-18-fafsa-updates-counselors.pdf)

New financial aid timeline for Seniors

* **National College Access Network**

[www.collegeaccess.org/EarlyAwarenessMiddle](http://www.collegeaccess.org/EarlyAwarenessMiddle)

Early Awareness for Middle Grades

[www.collegeaccess.org/Early\_Awareness](http://www.collegeaccess.org/Early_Awareness)

Early Awareness for Grades 9-10

FINANCIAL LITERACY

LESSON 12-17 STUDENT HANDOUT

COMPARING COSTS WORKSHEET

1. **Cost of Attending College (COA)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Workshop Example | Personal Award Letter | Personal Award Letter | Personal Award Letter |
| Tuition and fees |  |  |  |  |
| Books |  |  |  |  |
| Housing |  |  |  |  |
| Travel |  |  |  |  |
| Living Expenses |  |  |  |  |
| Other |  |  |  |  |
| **Total cost of Attendance** |  |  |  |  |

Things to consider:

1. Can you use used books, e books or rentals to reduce the cost of books.
2. Where will it be most cost effective to live? Can you live at home and go to college? Can you share expenses with friends?
3. Travel needs to include gas and parking or bus tickets if you live close by? If you go away to school, will you need to take travel like trains or planes?
4. Living expenses can vary greatly by person. What do you really need to include?
5. **What is the Expected Family Contribution?**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Workshop Example | Personal Award Letter | Personal Award Letter | Personal Award Letter |
| Student Contribution |  |  |  |  |
| Family Contribution |  |  |  |  |
| Total EFC |  |  |  |  |
| **Financial Need** |  |  |  |  |

1. **Total Institutional Financial Aid Offer**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Workshop Example | Personal Award Letter | Personal Award Letter | Personal Award Letter |
| Tuition Waiver |  |  |  |  |
| Federal Pell Grant |  |  |  |  |
| Federal Supple Ed Opp Grant I |  |  |  |  |
| State Need Grant |  |  |  |  |
| College Bound Scholarship |  |  |  |  |
| Student Work Study |  |  |  |  |
| Federal Perkins Loan |  |  |  |  |
| Fed. Direct Subsidized Loan |  |  |  |  |
| Fed. Direct Unsubsidized Loan |  |  |  |  |
| Fed. Direct Parent PLUS Loan |  |  |  |  |

1. **List Additional Scholarships Student May Receive**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Scholarships | Workshop Example  List Amount | Personal Award Letter | Personal Award Letter | Personal Award Letter |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. **Net Cost to Student and Family**

**Total cost of attendance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Subtract financial aid \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**that does not need to be paid back**

**Balance needed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Personal options**

**Start with the balance \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Subtract what the family can do \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Subtract what the student can earn \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**or has saved**

***Can you pay for college? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* (Balance)**

**Yes: You are done.**

**No: Consider loans**

**Subtract loan options \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**What will the loans cost you? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**What does that mean you will \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**really pay for college?**

**Financial Aid Questions:**

* Is the school that offers the most financial aid the best match for finances overall?
* Which financial aid package is most workable for you as a student and for your family?

Which finance aid package best matches your long-term goals?