

Financing Higher Education: Curriculum Guide

Recommended Grade Level: 9-12

Modular Design: 5 modules, 20 minutes each

Subject Fit: Finance, Economics, CTE, Social Studies, Business

Standards Alignment: Jump\$tart Standards, state-based personal finance literacy standards (Arkansas, Illinois, Maryland, Oklahoma, and Utah), Texas Essential Knowledge and Skills, Nebraska economics standards, and Oregon social sciences standards

COURSE OVERVIEW

Research shows that Gen Z learners are becoming increasingly aware and wary of the accumulation of debt, yet may not have appropriate knowledge around navigating good lending practices for higher education. This is compounded by studies indicating that many students and parents are not aware of what financing options are available to them or how to properly evaluate what it will cost to repay them. Since most parents and students wish they'd known more about how to calculate the true cost of college there is a need to provide guidance on finding age-appropriate and trustworthy financial resources to assist making positive financial choices for paying for higher education.

Financing Higher Education is a digital financial education course that will empower students to become informed consumers and make wise financial decisions when choosing how to finance their higher education. Students who take this course may already have some basic financial literacy knowledge from taking our FinLit course, but they may also be coming into this 201 course with limited financial knowledge. The Financing Higher Education course will help learners understand how to evaluate the return on investment (ROI) of higher education options and research how to pay for it. The course will delve deeply into responsible budgeting for higher education loans, how to repay them, and avoiding common pitfalls of borrowing.

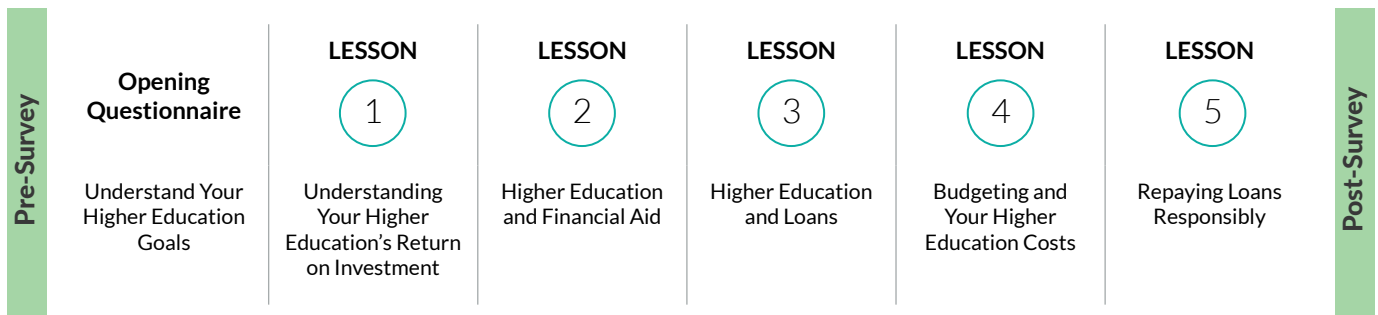
Since research indicates that interactive practice helps learners retain financial information, each of the five evidence-informed lessons gives them a chance to tackle real-life applications and scenarios to prepare them to calculate the true costs of higher education, find ways to reduce the overall costs and responsibly borrow money to pay for the remaining balance. Each lesson contains a pre- and post-assessment to gauge knowledge gain, and the course contains a pre- and post-survey to track attitudinal and behavioral change.

TOPIC AREAS

- Return on investment (ROI) of higher education
- Calculating the true cost of college
- Researching and choosing financing options for higher education
- Subsidized, unsubsidized, federal and private loans
- Financial aid such as scholarships, grants, work-study and special programs
- Calculating the true costs of student loans
- Loan repayment options and plans

COURSE STRUCTURE

Each lesson is approximately 20 minutes.



Key Learning Objectives:

After taking this course, students will be able to...

- Explain why higher education typically has a positive return on investment
- Differentiate the net cost of higher education from the “true cost”
- Explain how to evaluate the return on investment for higher education at a particular institution
- Explain how to evaluate the return on investment for higher education based on an anticipated career path or major
- Describe the differences between scholarships, grants, and loans
- Explain how to fill out the FAFSA and why it’s important
- Identify places you can look for financial aid, including merit aid
- Compare and contrast subsidized and unsubsidized loans
- Compare and contrast federal and private student loans
- Explain how loan fees and loan documentation work
- Identify key contacts and resources for student loan information
- Differentiate between parent loans and student loans with cosigners
- Describe how to read a Student Aid offer and identify key questions to ask the financial aid office
- Describe how to calculate financial aid costs in relation to your personal budget
- Explain how to calculate the appropriate borrowing amount
- Identify key terms and factors for determining monthly payments
- Compare and contrast different loan repayment methods
- Explain how debt load can impact future opportunities including the ability to borrow
- Explain the consequences of defaulting on a loan
- Identify refinancing and forgiveness options
- Identify budgeting steps that can help reduce debt load from loans

Opening Questionnaire: UNDERSTAND YOUR HIGHER EDUCATION GOALS

Students answer seven questions about their approach to higher education and what they hope to get out of it. After submitting their answers, they are then presented with a summary statement that distills their motivations into categories like wanting to go to the best school, wanting to do what is expected of them, wanting to get away, wanting to improve their financial situation or wanting to expand their minds and life experiences. This is not a pre-survey or pre-assessment but a personal quiz that helps clarify for students why they are going to higher education and helps frame the student’s approach as they begin this course.

Lesson 1: RETURN ON INVESTMENT

Students learn how to evaluate the return on investment (ROI) of different higher education options related to the choice of a major or a career path and the true costs of attendance.

Learning Objectives:

Students will be able to...

- Explain why higher education typically has a positive return on investment
- Differentiate the net cost of higher education from the “true cost”
- Explain how to evaluate the return on investment for higher education at a particular institution
- Explain how to evaluate the return on investment for higher education based on an anticipated career path or major

Activity Topic	Activity Description
Story set-up	Learners meet a character named Shyla who they'll follow through the module as she learns how to determine the ROI of higher education.
Higher education outcomes	Learners explore the higher education outcomes and financial impacts of three college graduates that Shyla meets.
Full cost of higher education	Learners help Shyla understand that paying for higher education is more than tuition and includes room & board, fees, travel and books.
Displaying true costs	Learners use an interactive graph to adjust associated expenses of higher education and display how each decision impacts its true cost.
Investing in the future	Learners meet Shyla's school counselor who explains the factors that go into creating a positive ROI while choosing a school and possible career.
Higher education choices and funding	Learners help Shyla understand different types of institutes of higher education and their associated costs as well as financial aid options to defray them.
Evaluating ROI	Learners evaluate higher education options for various characters and determine if they will have a positive or negative ROI based on costs and future income possibilities.
Creating ROI	Learners are challenged to create a positive ROI for various characters by making decisions for them about school types, living arrangements and additional fees.
Thinking of ROI	Learners are reminded of the importance of considering ROI as they plan for higher education and made aware of net price calculators online.

Lesson 2: UNDERSTANDING FINANCIAL AID

Students learn how to pay for their higher education by seeking out free options like scholarships and grants first.

Learning Objectives:

Students will be able to...

- Describe the differences between scholarships, grants, and loans
- Explain how to fill out the FAFSA and why it's important
- Identify places you can look for financial aid, including merit aid

Activity Topic	Activity Description
Story set-up	Learners meet a character named Alejandro who they'll follow through the module as he learns how to apply for financial aid for higher education.
Funding options	Learners follow Alejandro to his school counselor's office to learn about financial aid options like scholarships, grants, work-study, military programs and loans.
Finding free money first	Learners understand the importance of finding free money like scholarships and grants first and also learn about the resources that help a student find and apply for them.
Scholarship eligibility	Learners evaluate Alejandro's eligibility for various scholarship opportunities.
Financial aid requirements	Learners understand the application process, specific requirements and importance of meeting deadlines of grants, scholarships, special programs and loans.
FAFSA application	Learners explore the necessary steps in completing and submitting the FAFSA and the importance of doing so.
Parental involvement for the FAFSA	Learners understand the need to have parents complete the FAFSA and help coach Alejandro on how to answer his mother's questions about it.
Completing the FAFSA	Learners help Alejandro fill out part of his FAFSA form to understand the steps needed to complete it and send it off.

Lesson 3: STUDENT LOAN BASICS

Students learn how loans work, including different types of loans and their associated fees.

Learning Objectives:

Students will be able to...

- Compare and contrast subsidized and unsubsidized loans
- Compare and contrast federal and private student loans
- Explain how loan fees and loan documentation works
- Identify key contacts and resources for student loan information
- Differentiate between parent loans and student loans with cosigners

Activity Topic	Activity Description
Story set-up	Learners meet a character named Taylor who they'll follow through the module as she learns about how student loans work.
Federal loans	Learners differentiate between federal subsidized and unsubsidized loans and check their understanding through a categorizing activity.
Federal vs. private loans	Learners understand the difference between federal and private student loans and compare them on 4 different criteria.
Loan fees	Learners explore different types of fees associated with federal versus private student loans.
How interest works	Learners investigate how interest rates work and how they impact overall payments. Learners adjust interest rates to understand their impact.
Total costs of a loan	Learners understand how the total cost of a loan is calculated using interest rates, the length of time of the loan and fees.
Comparing and choosing a loan	Learners analyze three loans Taylor is considering taking and help her decide which one will be best for her situation.
Finding loans	Learners discover resources like the FAFSA, financial institutions and online lenders that help Taylor find more loan options.
Loan documentation and terms	Learners reveal and understand important loan terms associated with getting and repaying loans.
Reliable resources for assistance	Learners discover how school counselors, financial aid officers and loan officers can all assist in securing and understanding student loans.

Lesson 4: BUDGETING FOR YOUR LOANS

Students calculate financial aid costs in relation to their personal budget and understand the full cost of a loan, as well as how repayment works.

Learning Objectives:

Students will be able to...

- Describe how to read a Student Aid offer and identify key questions to ask the financial aid office
- Describe how to calculate financial aid costs in relation to your personal budget
- Explain how to calculate the appropriate borrowing amount
- Identify key terms and factors for determining monthly payments

Activity Topic	Activity Description
Story set-up	Learners meet a character named Lei who they'll follow through the module as she learns how to budget and pay for her higher education costs.
Reading a student aid offer	Learners explore the components of a student aid offer including financial aid, cost of attendance (COA) and expected family contribution (EFC).
Understanding a student aid offer	Learners differentiate scholarships and grants from loans and clarify the length of aid to be different for each one while talking to a financial aid officer.
Comparing financial aid letters	Learners evaluate the financial aid letters from two higher education institutions and make a recommendation to Lei as to which one is a better offer.
Remaining costs	Learners use a calculator to help Lei determine the remaining costs that are not covered by financial aid from each institution.
Understanding loan costs	Learners help Lei determine her needed loan amount, calculate the full cost loan options and compare loan costs of each institution to her personal budget.
Choosing where to go	Learners help Lei decide which institution to attend based on the budgeting exercises but her parents remind her that choosing a school should also be based on the best possible ROI.

Lesson 5: REPAYING LOANS RESPONSIBLY

Students learn about the potential impact of a high debt load from higher education loans and how to take steps to manage their debt responsibly.

Learning Objectives:

Students will be able to...

- Compare and contrast different loan repayment methods
- Explain how debt load can impact future opportunities including the ability to borrow
- Explain the consequences of defaulting on a loan
- Identify refinancing and forgiveness options
- Identify budgeting steps that can help reduce debt load from loans

Activity Topic	Activity Description
Story set-up	Learners meet a character named Emmett who they'll follow through the module as he learns how to responsibly manage his student loan debt.
Vision of the future	Learners explore how taking on more debt than can be handled can impact future decisions such as buying a home or even having kids.
Budgeting carefully	Learners help the character understand the 50-30-20 rule by categorizing his expenses into needs and wants and by exploring how tracking expenses and savings can help maintain a budget.
Loan repayment methods	Learners analyze loan repayment plans and determine which one will best match potential life circumstances Emmett may have upon graduation.
Forgiveness program options	Learners discover what loan forgiveness options are and how Emmett may be eligible for them.
Refinancing a student loan	Learners help the character understand when and how loan consolidation and refinancing are beneficial to managing debt load.
Deferment and forbearance	Learners analyze why a student loan may need to be deferred and determine for Emmette if it is a good idea in provided scenarios. They also will learn to differentiate between deferment and forbearance.
Consequences of defaulting on a loan	Learners help Emmett discover the consequences of defaulting on a loan and the importance of budgeting carefully to avoid it.