



The Cost of College: Financing Your Education

LESSON 4: TEACHER'S GUIDE

"I love the campus." "I want a small school." "College isn't for me." When considering their options after high school, many teens have an idea what they'd like to do, but don't think about the factors that go into such a big decision. College is expensive, but choosing not to attend can be expensive too (in terms of its impact on career opportunities and on your future salary). In this lesson, students will examine options for financing their education, discuss college choices and learn ways to manage their money wisely during their college years.

Topic: Student Loans

Time Required: 45 minutes

SUPPLIES:

- Computers or tablets
- Internet access
- Student activity sheet

PREPARATION:

- Copy student activity sheet
- Research annual tuition costs for 5 local colleges/universities

STUDENT ACTIVITY SHEET:

My Life, My Decision: Researching College Options

This activity will prompt students to research and reflect on some of the factors that go into selecting a college; including areas of interest, tuition and starting salaries for potential careers.

LEARNING OBJECTIVES:

Students will...

- Analyze factors of smart money management during college
- Evaluate the costs and benefits of a student loan
- Discuss how repaying student loans affects future finances

STANDARDS:

Jump\$tart Standards:

- Credit Standard 1
- Financial Responsibility Standard 2

Common Core ELA Anchor Standards:

- Reading: Key Ideas and Details
- Reading: Integration of Knowledge and Ideas
- Writing: Research to Build and Present Knowledge
- Language: Vocabulary Acquisition and Use
- Speaking and Listening: Comprehension and Collaboration
- Modeling

Common Core Math Standards:

- Statistics and Probability: Making Inferences and Justifying Conclusions

Essential Question

“Is college worth the expense? What financial factors do I need to consider in deciding what the right choice is for me?”

Investigate: The Price of Education

[Time Required: 5 minutes]

1. Open the class by writing the yearly tuitions of five local colleges and universities on the board. Tell students that these are all prices for the same thing. Can students guess what it is? Explain that college tuition varies widely depending on whether a school is public or private, among other factors.

Student Preparation: Determining its “Worth”

[Time Required: 5 minutes]

2. Ask students: How do people pay for college? Answers might include: parents or other family members cover costs, scholarships, student loans and/or student jobs.
3. Do students think college is worth the cost? Why or why not? What are the long-term rewards? How would they go about determining whether college is “worth it” for them? One approach is to compare the value of a college degree to its impact on future salary.

Challenge: Cost vs. Benefit

[Time Required: 25 minutes]

4. Next, challenge pairs of students to research the value of a college education by analyzing cost versus benefit on websites like earnmydegree.com. They will likely find that the income benefit is far greater than the cost, especially if they consider income over a lifetime.
5. Ask students: Is deciding whether college is “worth it” as simple as weighing cost versus salary? Discuss other financial factors that weigh into the decision. For example, many people have to borrow money for college and graduate school. Because “student loans” include both the principal (the cost of the loan) and interest (the fee the lender charges to borrow money), the cost of college is higher when student loans are used.
6. Can the class think of other pros and cons related to student loans? If graduates must begin repaying their loans six months after graduation, what does that necessitate for a starting salary?



7. What other factors help determine if college is “worth it”? What are the pros and cons of attending college (e.g., some people may value education over experience; others may feel the opposite)?
8. Finally, distribute the student activity sheet **My Life, My Decision: Researching College Costs**. Ask students to research and reflect on the questions on the sheet. Once they have finished, students can discuss their answers in small groups. Do they think college is a smart financial decision for them? Why or why not?



TEACHER'S TIP

Guest Speaker:

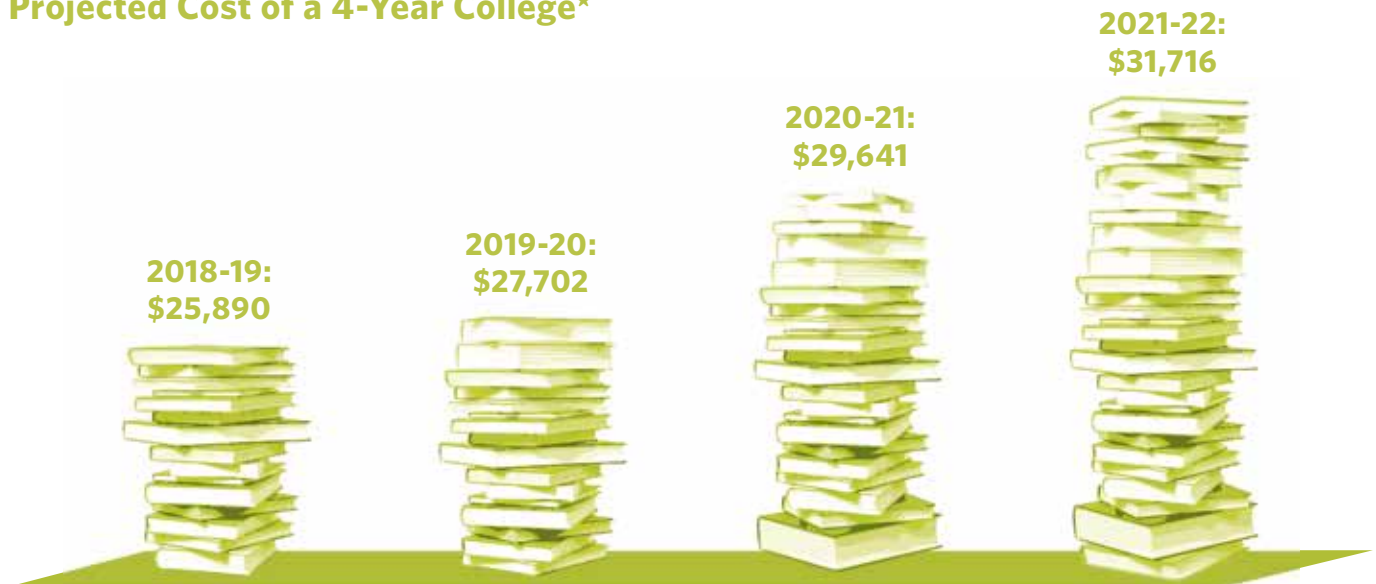
Invite a school guidance or career counselor to speak to your students about applying to college. They can offer tips and resources to help your students research and answer the questions in this lesson.

Reflection

[Time Required: 10 minutes]

Invite students to record their own opinions on college in their journals. Does it seem like a smart financial decision for them? Why or why not? What other information do they need before they make their decision? Ask students considering other options to reflect on career goals and to consider next steps they should take in order to get there.

Projected Cost of a 4-Year College*



*Based on an in-state student at a public university and a 7% tuition inflation rate each year. Includes tuition, fees, room and board, textbooks and other expenses. *Source: trends.collegeboard.org*