

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

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

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

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

Teaching strategy: Direct instruction

Bloom's Taxonomy level: Understand, Apply

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Earning income: 12-3

Managing credit: 8-6, 12-4, 12-5

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

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.

Preparing for this activity

- While it's not necessary, completing the "[Learning how FAFSA works](#)" or "[Saving for post-secondary education](#)" activities first may make this one more meaningful.
- Print copies of all student materials, or prepare for students to access them electronically.
- Preview the U.S. Department of Education video (and corresponding webpage) online (<https://studentaid.gov/understand-aid/types>) and the Consumer Financial Protection Bureau's (CFPB) "[Student loans](https://www.consumerfinance.gov/consumer-tools/student-loans/)" page (<https://www.consumerfinance.gov/consumer-tools/student-loans/>) to familiarize yourself with the content.
- You can set up your classroom to play the video for the whole class or arrange for students to have computers or tablets with Internet access to view the video and web pages on their own.

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.gov/understand-aid/types>
- The CFPB's "[Student loans](https://www.consumerfinance.gov/consumer-tools/student-loans/)" page at <https://www.consumerfinance.gov/consumer-tools/student-loans/>
- Computers or tablets with Internet access (if available)

Exploring key financial concepts

As you plan for life after high school, you and your parents or guardians 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.

It's important to understand that the amount of federal aid you qualify for will remain the same from school to school, but your education costs will vary depending on the college or career school you attend.

TIP

Because financial aid rules and programs change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Ask students to share some ways people pay for education after high school.
 - Answers may include savings, loans, scholarships, grants, or working your way through college.
- Read the “Exploring key financial concepts” section to students.
- 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:** Money 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.

TIP

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

- **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 grant 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.
- **Post-secondary education:** Includes all forms of schooling after high school, not just college.
- **Scholarships:** Money that students receive based on academic or other achievements to help pay education expenses. Scholarships generally don't have to be repaid.

Individual work

- Distribute the "Learning how federal financial aid can help you pay for higher education" worksheet.
- Students will complete the worksheet individually.
- Tell students they'll watch a short video called "Types of Federal Student Aid" twice (it's 2 minutes and 14 seconds long).
 - Explain that while this 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.
- You also can have students review the CFPB's "Student loans" page at <https://www.consumerfinance.gov/consumer-tools/student-loans/> for more information about student loans.
- Students will then answer the "Digging deeper" questions.

Wrap-up

- Review answers to questions, making sure students understand the essentials about federal student aid and other resources to pay for higher education.
- Ask volunteers to share their answers to the "Digging deeper" questions.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topics of saving and investing (including saving for college), spending (including paying for college), and borrowing (including getting loans). Suggested activities include [“Talking with your family about paying for higher education”](#), [“Composing songs and verses about paying for college”](#), and [“Planning your financial path to college graduation”](#).

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of 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

1. What office in the U.S. Government helps students pay for college? The Office of Federal Student Aid (An Office of the U.S. Department of Education)	5. What is one federal government website that can help you learn more about financial aid and paying for college? Answers may include: StudentAid.gov or the Consumer Financial Protection Bureau’s “Student loans” page at https://www.consumerfinance.gov/consumer-tools/student-loans/
2. What are three types of school expenses that can be paid for using federal student aid? Tuition, room and board, books, and supplies	6. This type of financial aid provides a part-time job to help you pay your educational costs. Federal Work-Study
3. What do the letters in “FAFSA” stand for? Free Application for Federal Student Aid	7. This type of financial aid usually does not have to be repaid. Grants and scholarships
4. Compared with a private loan, interest rates on a federal student loan will likely be: Lower	8. This is when you borrow money for school, and you must pay it back with interest. Loans