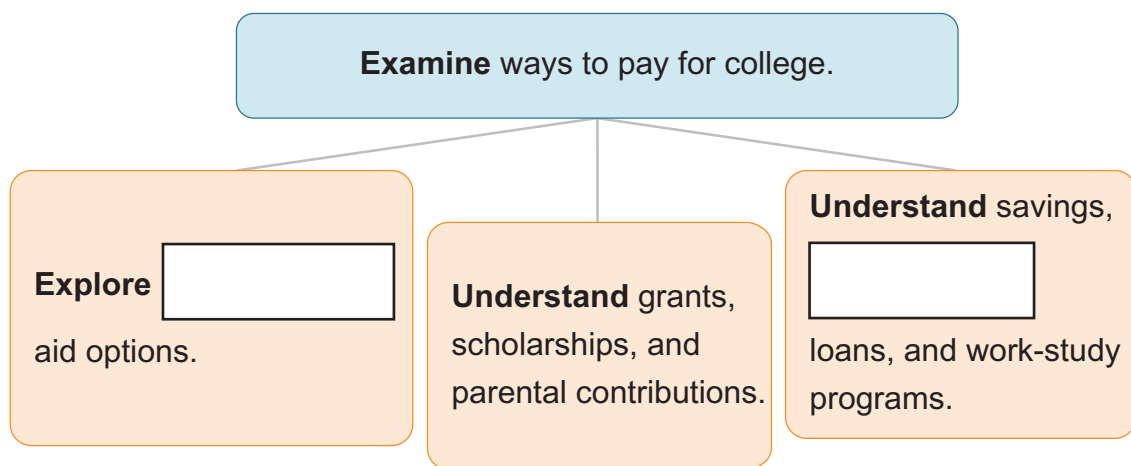


Warm-Up

Understanding College Savings

Lesson
Question

Lesson Goals



Words to Know

Fill in this table as you work through the lesson. You may also use the glossary to help you.

	money given by an organization for a specific purpose
	a loan offered to students that is used to pay for education-related expenses
	any program that offers money to assist with the payment of education-related expenses
	a grant or payment awarded on the basis of academic or other achievement that is used to support a student's education
	an educational plan in which students alternate between studying for school and gaining work experience

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Planning for College

Do you have plans to go to college?

Luisa is in sixth grade and she plans to go to college. She wants to be a doctor, although she might change her mind if she finds something she enjoys more. She also knows which colleges she is interested in attending.

She has not thought about the cost of college, however, or how she will pay for her college education.

2 yr \$8,000–\$ per year

4 yr \$20,000–\$30,000 per year

Understanding Financial Aid

Financial aid is a term used to refer to any program that offers to help with the payment of -related expenses.

The US Department of Education's Office of Federal Student Aid is the most common source of aid.

To request financial aid, you will need to complete an . You can do that on paper or online.

www.fafsa.ed.gov

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Understanding the FAFSA

To apply for financial aid, students must fill out a Free Application for Federal Aid, or , form. It usually takes about minutes to complete.

The application asks for:

- Personal information: , Social Security number
- Financial information: income and tax
- Parental information: income and tax

There are different types of financial aid programs, such as grants, loans, and work studies.

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Different Types of Grants

A **grant** is a sum of money given to a student by the or by an organization to help pay for -related expenses. Some examples of grants include:

- Federal Pell Grant:
based off
- Academic Competitiveness Grant:
 programs, 3.0 gpa
- National Science and Mathematics Access to Retain Talent
() Grant:
 gpa, major in or science
- Teacher Education Assistance for College and Higher Education
() Grant:
teach after college

This money is granted to you and does not have to be paid back.

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Different Types of Scholarships

A **scholarship** is a financial award made to a to help pay for education-related .

Scholarships are available based on:

- achievement
- Special talents, traits, or interests
- need
- Specific background or affiliation
- Specific college major or field of
- Other qualifications

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Parent or Family Contributions

A parent or family contribution is a sum of money given by a member to a student to help pay for education-related expenses.

- 529 Plan
 - plan: rates
 - plan: investment

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Student Loans and Student Savings

Student loans are granted to help students pay for education-related expenses.

- A loan is money.
- Most student loans are federal student loans awarded by the .
- Student loans often have interest rates than other types of loans.

Student savings are funds saved by the student and used for education-related expenses.

- It is never too early to start saving for college.
- Many banks offer account options.

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Options for Paying for College

Students do not necessarily have to choose among scholarships, grants, and loans. Any or all of them can be used. The form is used to determine eligibility for all forms of financial aid. You may not need all of them, however. You have to decide which you need or want based on your circumstances.

Considerations include:

-
- Other educational expenses
- and living expenses
- Family contributions and savings

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Work-Study Programs

A **work-study program** is an plan in which students alternate between studying for school and gaining work experience.

- Filling out the can help you determine what work-study options are available to you.
- Work-study is not a .
- If you are eligible, you will be able to earn at least the minimum wage.

Summary

Understanding College Savings



Lesson Question

What are different ways you can pay for college?



Answer

Use this space to write any questions or thoughts about this lesson.