

LESSON PLAN

The Cost of College/University: Financing Your Education

Learning Objective(s):

- 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

Target Group:

- **Grade 9 – Grade 11**

Lesson Excerpt:

“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.

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 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 colleges’ websites. 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. 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?

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.

Student Activity Sheet

There's a lot to consider when deciding what you want to do after high school. What are your interests? Where do you want to work someday? How much money do you have to spend on your education, and how much debt are you willing to take on? Doing a little research can help you make wiser decisions. Get a head start by answering the questions below.

- 1.** What are your interests? Is there anything you know you want to study in college? Do you have any career fields in mind?
- 2.** Which colleges offer programs in your fields of interest? Review websites to help you find the strongest college programs in your area of interest.
- 3.** How much is tuition at the schools you researched? What other costs would be involved in going to school there (e.g., room and board, commuting to and from home, books and supplies)?
- 4.** What are the starting salaries in your career or field of interest?
- 5.** By what age do you want to have paid off your college loans? What else do you want for your life that could affect loan repayment?