|  | Financial Aid: Part 1Lesson Plan |
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| Learning Objectives  * What are the different types of financial aid * How do you apply for financial aid * Why the FAFSA is important   ***Lesson length****: ~90 mins*  *Since this is long, you may wish to separate it out as:*   * *Sections 1-3: 45-55 mins* * *Sections 4-7: 40-50 minutes* | Student Worksheets  * [Main student worksheet](https://www.goingmerry.com/counselor-resource-types-of-financial-aid-worksheet/) * [Section 8 worksheet: Sample aid letters](https://www.goingmerry.com/counselor-resource-sample-financial-aid-letters-worksheet/)   *To get an* ***editable version*** *of this, just click one of the buttons above:*   * *Download as Docx (for a Microsoft Word version)* * *Download as PDF (for a printable PDF)* |
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| LESSON PLAN | | | |
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|  | **Resources** | **Questions** | **Est. Time** |
| 1 | VIDEO:  [The three types of financial aid](https://www.youtube.com/watch?v=AdjtBp0-MtA)  (2 mins) | **Types of Financial Aid**   1. Grants and scholarships  * Federal government grants * State government grants * College institutional grants/scholarships * External/Private scholarships  1. Work-study 2. Student loans   Discussion questions:   * What is “financial aid”?   *Financial aid is money to help you pay for college.*   * What are the types of financial aid?   *(See above: Grants & scholarships, Work-study, Student loans)*   * Which is the best kind of financial aid?   *The free type! Grants and scholarships (whether they’re from the government, your college, or an external foundation or company) are the best because they are free money that you do* ***not*** *need to repay.*   * Besides financial aid, how else might a student pay for college?   *There are three other common ways students pay for college:*   1. *Parental contributions - Parents pay for it.* 2. *Student contributions - Through your personal savings or by working student jobs during the summer (or even the school year).* 3. *Taking out private student loans (with private, for-profit companies)*   💡***Did you know?*** Every year, the government has $135 billion (with a B!) budgeted to provide in financial aid, allocated based on the FAFSA®. | 10 mins |
| 2 | ARTICLES:  - [How to apply for the FAFSA](https://www.goingmerry.com/blog/how-to-apply-for-fafsa/?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet)  *(For this exercise, read up to “Okay, what documents do I need?”)*  - [What is the FAFSA EFC?](https://www.goingmerry.com/blog/efc-for-fafsa-what-it-is-and-how-to-calculate-it?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet)  *(For this exercise, only read two sections: “What is the EFC?” at the top--and then jump down to “Need-based Financial Aid”)* | **Introduction to Federal Aid (& the FAFSA®)**  Discussion questions:   * What’s the difference between ***federal*** government grants and ***state*** government grants?   *Quite simply, federal government aid is provided by the federal (national) government. It is allocated based on the FAFSA® form.*   * **Who** is eligible to apply for (or receive) federal financial aid?   *Basically, anyone going to college, as long as they have a Social Security Number or an Alien Registration Number. That includes US citizens, green card holders, and DACA students.*   * **How** do you apply for federal financial aid?   *You fill out the FAFSA form. You can do this for free online at fafsa.gov, on your phone by downloading the FAFSA® mobile app, or by filling out the paper FAFSA® form and mailing it in.*   * **When** should you apply for / submit the FAFSA?   *As soon as possible! You should apply the year before you plan to go. FAFSA® usually opens on October 1; however, it opened on Dec 30, 2023 for the 2024-25 cycle.*   * **How much** money will you receive in government grants?   + *On average, students receive financial aid packages (combo of grants, work-study, and loans) worth about $15,000 per year, by filling out the FAFSA®!*   + *However, your individual amount will vary based on the college and your family’s financial situation.*   + *Even for students who are relatively high income, though, filling out the FAFSA® is a good idea because it may be a requirement to receive certain college scholarships, and you may still be eligible for non-need-based federal student loans (at lower interest rate than private loans).* * How do you actually receive the aid money?   + *You will receive your financial aid offer from your college (not from the government). This usually comes a few weeks after you receive your admission letter.*   + *Any grants/money you receive will be directly applied to your college tuition/costs bill so that you get a discounted version. You will not receive a check from the government.* * Do you have to **repay** this money, later on?   *It depends! You do NOT have to repay any grants or scholarships. You also do NOT have to repay work-study.*  *You ONLY have to repay student loans, with interest (basically, an annual fee for borrowing the money).*   * What’s my “Student Aid Index”, or SAI (formerly EFC)?   *When you fill out your FAFSA®, you will get a number known as your SAI, or Student Aid Index. This number represents the dollar amount that the government thinks you can contribute each year towards your college expenses. Usually, colleges will take this into account when calculating your financial aid offer/package It is probably the single most important “result” or number coming from your FAFSA®. Previously, this was called the “EFC”, or “Expected Family Contribution”.* | 15 mins |
| 3 | FAFSA form:  [2024-2025 E-version](https://studentaid.gov/h/apply-for-aid/fafsa)  [2024-2025 Paper version](https://studentaid.gov/sites/default/files/2024-25-fafsa.pdf)  FSA ID:  [Create one here](https://studentaid.gov/fsa-id/create-account/launch) | **PRACTICAL EXERCISE: Prepare for the FAFSA®.**  *Part 1. Mark your calendar or set a reminder.*   * If it’s before December 30, mark this as the date the FAFSA® gets released. Financial aid is given on a first-come, first-served basis, so try to apply as close to Dec 30 as possible. * If it’s after December 30, the FAFSA® is already open. Decide when you think you and your parents will have time to do the FAFSA®. Mark it on your calendar or set a reminder on your phone.   *Part 2. Look at the FAFSA® form*   * What jumps out at you about this form?   *It’s a lot of questions!*  *You might need parental help, so set aside time with them.*   * What materials do you think you might need to prepare to be able to fill it out?   *Parents’ tax forms, Your (and parents’) SSNs, Your rough college list (you can edit this later), Your (and your parents’) bank/investment account balances. (****Note to counselor:*** *You can also provide students with* [*this worksheet.*](https://www.goingmerry.com/counselor-resource-fafsa-prep-assignment-worksheet/)*)*   * What are questions you think might be particularly tricky? What do you think students often get wrong?   *Which parent(s) to choose? What name to put? What email to put? -- Also there are tricky financial questions. (*[*See article here for more info*](https://www.goingmerry.com/blog/fafsa-questions/?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet)*.)*  *NOTE: If students use the Going Merry version of the FAFSA®, we have rewritten most of the trickiest questions to make them more straightforward.*   * See Step 6, where you add in your colleges. Are you ready to fill this out? What if not?   *On the online form, you can add up to 10 colleges. These colleges will immediately get a copy of your FAFSA®. But if you change your mind and want to add or remove colleges later on, you can do that easily by signing back in and editing it. So fill out your FAFSA® early, even if your college application list is not 100% finalized! You can always edit it later.*  *Part 3. Get an FSA ID.*   * Even before the FAFSA® opens, you can get prepared by setting up a “username” and password with the Federal Student Aid website. This username is known as your “FSA ID.” * [Get one here](https://studentaid.gov/fsa-id/create-account/launch) - Remember your password. You will need it later to digitally “sign” and submit your FAFSA®! | 20-25 mins |
| 4 | ARTICLE:  [How state aid works](https://www.goingmerry.com/blog/state-grants-financial-aid/?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet)  (*For this exercise, only read the introduction and the first section: “State financial aid eligibility requirements”*) | **Introduction to State Aid**  Discussion questions:   * What is “state aid”?   + *This is financial aid (mostly grants) given to students living in the state. It is usually only available for students staying in-state for college. Some states only provide aid for students attending public universities/colleges, not private ones.*   + *This is one reason staying in-state is usually a more affordable option for students. (The other reason is that you often qualify for in-state tuition.)* * Who is eligible for state aid?   + *It is usually only available for students staying in-state for college.*   + *Some states only provide aid for students attending* ***public*** *universities/colleges, not private ones.*   + *Going Merry lists state grants, so as long as you fill out your profile, they’ll match you to state grants you’re eligible for and link you directly to the portal/form to apply for it.* * How do I apply for state aid?   + *[Insert information about your state here]*   + *Most states have one “main” state aid application. However, some states (like Texas) do not have this because they simply rely on the FAFSA®.*   + *Almost all states also have individual, “less common” grants that need to be applied to separately (sometimes online, sometimes via PDFs that need to be emailed or snail mailed in). “Less common” grants might be specifically for students attending certain state schools, for children of fallen firefighters/police officers, foster children, children of veterans, etc.* | 10-15 mins |
| 5 | COLLEGE WEBSITES:  - [Northwestern financial aid examples](https://undergradaid.northwestern.edu/types-of-aid/aid-package-examples.html)  - [Baylor University Carr P. Collins merit scholarship](https://www.baylor.edu/admissions/index.php?id=872116) | **College Institutional Grants & Endowed Scholarships**  Look at the first financial aid package on [the Northwestern site](https://undergradaid.northwestern.edu/types-of-aid/aid-package-examples.html).   * What do you think the “Northwestern scholarship” is? How is this different from the Pell Grant or the Federal Supplemental Educational Opportunity (FSEOG) Grant?   *It’s basically who pays for your financial aid (pays on your behalf). With government grants like the Pell or FSEOG, the government pays. With college grants or scholarships like the Northwestern Scholarship, the college itself pays (or, in real terms, it provides you with a discount!)*   * In practice, does it matter whether the money comes from your college or from the government?   *Not really. In both cases, you pay less for college, and it’s free money. You do NOT have to repay any of it.*  Now, look at [this Baylor University scholarship](https://www.baylor.edu/admissions/index.php?id=872116).   * How is it different from the Northwestern one? Are there different types of college grants or scholarships?   *The Baylor University scholarship is a merit-based scholarship, versus the Northwestern one was need-based one.*  *Unlike government grants (which are all need-based), colleges may give you money based on your merit (so your achievement in academics, leadership, service, or athletics) OR based on your financial need.*   * So how do you apply for college grants or scholarships?   + *In these two examples, at Northwestern you were automatically considered. For Baylor, you need to complete a separate application.*   + *This reflects the reality, which is: Everything depends on the college, and things vary. It’s best to check out each college’s financial aid website, or contact their financial aid office.*   + *In general, for some merit scholarships, you’ll automatically qualify by getting a certain SAT/ACT score, or through your high school GPA or class rank. For others, you may need to apply separately (like with Baylor). Some of these merit scholarships also require you to continue to maintain a certain GPA to get it again next year.*   + *For some need-based aid, colleges (particularly private ones) may require that you fill out additional financial forms. The most common one is the CSS Profile, done via the College Board. This form is similar but different from the FAFSA®.* | 5 mins |
| 6 | ARTICLE:  - [How do scholarships work](https://www.goingmerry.com/blog/scholarship-application-faqs/?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet#0--what-are-scholarships-how-do-they-work-) *(Read up to “What are other scholarship FAQs?”*)  TOOL:  - [Going Merry](https://goingmerry.com?utm_source=counselor-resource&utm_medium=referral&utm_campaign=worksheet) (scholarship search) | **External scholarships**  **(AKA “outside” scholarships or “private” scholarships)**  Discussion questions:   * What are “external” scholarships?   *These are scholarships provided by someone other than the government or the specific college. They are usually run by organizations, foundations, or companies.*   * How do you find external scholarships?   *By Googling or by using scholarship search engines like Going Merry!*   * What are the best external scholarships to apply for?   *Students often have the most success when applying for less competitive scholarships. These are usually the ones with the most restrictive eligibility requirements--for example, something for African American females with an interest in art or music. (Since that’s quite niche, fewer people are eligible to apply, so if you are eligible, you have a higher chance of winning!)* | 5 mins |
| 7 | ARTICLE:  - [Guide to federal work-study](https://www.goingmerry.com/blog/federal-work-study-jobs-college/)  *(Read up to “How much can I earn?”)*  VIDEO:  - [Student loans: How they work](https://www.youtube.com/watch?v=t1XAPVh0oeA) (1 min) | **Other types of aid: Work-study, Student loans**  Discussion questions:   * What is work-study and how does it work?   *Work-study is a program where the federal government “guarantees” you a certain amount of money, as long as you work for it over the school year. Most work-study jobs are on-campus.*   * How do you apply for work-study?   *On the FAFSA, it’ll ask you if you’re interested in being considered for work-study. Just answer yes! And remember that even if you do see a line for Work-study in your financial aid offer letter, you still need to apply for a work-study job and do the number of hours required to earn the full amount you are allocated.*   * What are student loans?   *Student loans are money you borrow, either from the government or from a private company, in order to pay for college. You need to later repay this money, with interest. “Interest” is basically a fancy way of saying, a percentage fee each year. In general, you want to LIMIT your student loans as much as possible and use them as a last resort.* | 5 mins |
| 8 | WORKSHEET:  [Sample aid packages](https://www.goingmerry.com/counselor-resource-sample-financial-aid-letters-worksheet/)  VIDEO:  [Parts of a financial aid letter](https://youtu.be/ZnrCm4YsEaA) | **PRACTICAL EXERCISE:**  **Putting it all together: Examine sample college aid packages**  Have students fill out [this worksheet](https://www.goingmerry.com/counselor-resource-sample-financial-aid-letters-worksheet/) individually or in small breakout groups.  Then return to discuss together:   * Answers to the worksheets:  |  | **Georgia Institute of Technology** | **Whitman College** | **UC Davis** | | --- | --- | --- | --- | | Scholarships and grants  (“free money”) | **$6,242**  (= 3121 + 3121, from the Marvin Mitchell Scholarship)  Plus $2000 in outside awards that the student earned separately | **$45,600**  (Add the first four lines: 14000 + 14926 + 11904 + 4770) | **$0** | | Work-study | **$2,400**  (= 1200 + 1200) | **$2,500** | **$0** | | Loans | **$33,048**  (= [13774 + 1750 + 1000] \*2) | **$5,500**  ($3500 + $2000) | **$60,297** | | How much do you still need to pay the college per year?  *(assuming you accept all loans offered to you)* | **$0**  (COA = $43,690  Minus $2,000  Minus $41,690) | **$10,354**  (COA = $63,954  Minus $53,600) | **$3,598**  (COA = $63,895  Minus $60,297 in offered loans) |  |  | **NYU** | **UIC** | | --- | --- | --- | | Scholarships and grants  (“free money”) | **$12,000**  (Tisch Scholarship) | **$3,000**  (UIC Department Award) | | Work-study | **$4,000** | **$0** | | Loans | **$35,200**  (= 2400 + 2500 + 30300) | **$20,162**  **Combo of:**  **$5,500** (Direct loans = 2685 + 2815) and  **$14,662** (Parent loans - mentioned in the sentence below the award summary table) | | How much do you still need to pay the college per year?  *(assuming you accept all loans offered to you)* | **Unclear!**  This is because the NYU letter never showed what the annual Cost of Attendance is. | **$0**  COA = $23,162 (because 16,566+6596)  Minus $3000  Minus $5500  Minus $14,662 |   Also discuss:   * How do the different financial aid offer letters vary? * Which one do you prefer? * Are any of the letters confusing?   *NOTE TO COUNSELOR: You may also choose to assign this part as homework, instead of having it be part of the in-class lesson. Or you can have each breakout group just do 1 or 2 of the award letters, instead of all 5.* | 15-20 mins |

**Did you know this is just one part of a four-part series on financial aid?**

Check out the other parts:

* Part 1: [The three types of financial aid](https://www.goingmerry.com/counselor-resource-types-of-financial-aid-lesson-plan/)
* Part 2: [Creating a cost-conscious college list](https://www.goingmerry.com/counselor-resource-making-a-cost-conscious-college-list-lesson-plan/) (Encouraging students to apply to affordable colleges!)
* Part 3: [Comparing financial aid offers](https://www.goingmerry.com/counselor-resource-comparing-financial-aid-offers-lesson-plan/)
* Part 4: [Borrowing responsibly with student loans](https://www.goingmerry.com/counselor-resource-understanding-student-loans-lesson-plan/)

**Want resources more focused on scholarships?**

We’ve got a 2-part lesson plan for that:

* Part 1: [Researching scholarships and grants](https://www.goingmerry.com/counselor-resource-researching-scholarships-and-grants-lesson-plan/)
* Part 2: [Applying to scholarships: Essays, LORs, etc.](https://www.goingmerry.com/counselor-resource-essays-and-letters-of-rec-lesson-plan/)

**Want more handouts?** Feel free to print or email out these PDFs: [Six Scholarship Websites](https://www.goingmerry.com/counselor-resource-best-scholarship-wesbites-handout/), [Top 10 Essay Prompts](https://www.goingmerry.com/counselor-resource-10-scholarship-essay-topics-handout/), Essay [Writing Process Checklist](https://www.goingmerry.com/counselor-resource-college-essay-writing-process-checklist/), and [College Prep Checklist](https://www.goingmerry.com/counselor-resource-college-prep-checklist/) (for Grades 10-12).