financialalgebra

9.7 Financial Aid Packages
Student Activity Packet
UNIT: PAYING FOR COLLEGE & STATISTICAL ANALYSIS

Name:

IN THIS LESSON, YOU WILL:

- Analyze data using a box plot
- Differentiate between sticker and net price of college
- Explain how the FAFSA, student aid report (SAR) and a financial aid package are connected
- Read multiple financial aid offers and understand what types of aid are being offered
- Accept, adjust, or decline offers of student aid to best meet their financial needs



INTRO

ACTIVITY: MOVE: The Net Price of College

Follow your teacher's directions to participate in this activity that explores how the sticker and net prices of colleges can differ.



LEARN IT

VIDEO: How to Read Your Financial Aid Offer

After FAFSA completion, you'll receive your Student Aid Report detailing how much federal aid you're likely to receive. As you just saw, the net price at a given college can be thousands or tens of thousands of dollars cheaper than its sticker price. But how does each individual applicant know how much they would pay if they choose this specific school? The financial aid offer, of course!

1. **On a financial aid offer, is the cost of attendance similar to the sticker price or the net price?**

2. **Kiki was accepted into four different colleges and received four different financial aid packages as a result. She's thinking to herself: I already know what's on my Student Aid Report (SAR), so how different could each of these packages be? List some problems with Kiki's logic.**



PRACTICE IT

ACTIVITY: FINE PRINT: Financial Aid Package

Now that you know the key sections of a financial aid offer, try reading one on your own. Follow your teacher's directions to complete this activity.

LEARN IT

ARTICLE: Accepting Financial Aid

Remember: Just because your Financial Aid Package includes student loans doesn't mean you have to accept them in their entirety (or at all, if you don't need them). You can decline other forms of aid, too, if you choose. Read this article, starting at the section titled "Deciding Which Loans to Accept" and continuing through the end, in order to answer the questions that follow.

1. **Kiki's pretty happy with 2 of the 4 financial aid packages she is offered and will choose between those 2 schools. Once she makes up her mind, what does she need to do?**

2. **Why is a promissory note a particularly important document?**

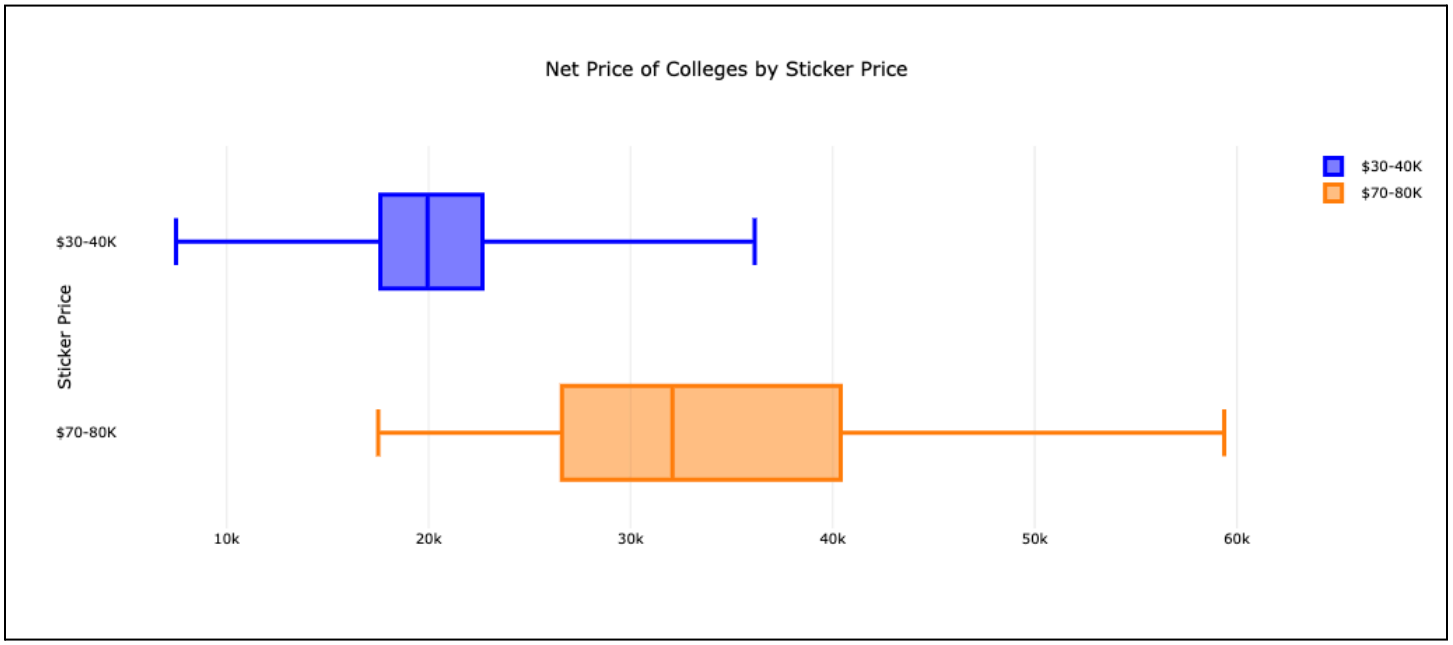
3. **At the school of her choice, Kiki's financial aid letter includes $4,000 of unsubsidized federal loans for the year, but she's been saving money since she was in middle school and only thinks she'll need about $1,000 in loans during that first year. She's thinking, "Eh, I'll still just the full loan amount in case other expenses come up." Do you think she's making a good choice? Why or why not?**

MATH CONNECTION - BOX PLOTS

GRAPH: Comparing Net Prices

Once you have your financial aid offer, you'll be able to tell how the price you will pay to attend the college compares to the college's published sticker price.

The graphs below show the net price distributions for two different groups of colleges – one group that's sticker price is between $30,000-$39,999 (181 institutions) and one group that's sticker price is between $70,000-$79,999 (118 institutions). Use the graphs to answer the following questions.



1. **For colleges with a sticker price between $30,000 and $40,000, what is the median net price of**

2. **Using the average ($75,000) as the sticker price for the bottom graph, how much financial aid does the median student receive at a college with a sticker price between $70,000 and $80,000?**

3. **For colleges with a sticker price between $70,000 and $80,000, what percent of students pay less than $40,000 to attend?**

4. **Which group of colleges has the larger interquartile range?**

5. **True, false, or uncertain: The mean net price is higher than the median net price for colleges with a sticker price between $70,000 and $80,000.**

6. **After looking at the box plots, Demetri concludes, "The median net price is way cheaper for a school with a sticker price between $30,000 and $40,000 rather than $70,000 and $80,000. So I'm definitely going to go to a 30-40k school because it will save me at least $10,000 per year!" Is Demetri correct? Why or why not?"**

7. **Which set of colleges offers more financial aid? Explain your thinking.**



EXIT TICKET

Follow your teacher's instructions to complete the Exit Ticket.