



RaiseMe

LESSON PLAN INSTRUCTIONS

 **Objective:**

Students will evaluate the differences in merit aid by institution type. Students will evaluate net price for an in-state vs out-of-state public college and in-state public vs. private college as a means of assessing the affordability for each type of institution for the average student.

 **Key Points:**

- The vast majority of students will qualify for financial aid or scholarships, so don't let cost dissuade you from considering college options.
- There are two means of awarding aid to finance college: need-based aid and merit-aid.
- Need-based aid is a factor of your family's financial situation.
 - To qualify for need-based aid you must fill out the FAFSA and/or CSS Profile.
- Merit-aid is based on a student's academic and extracurricular achievements. Most of those grants come directly from an institution.
- RaiseMe provides a checklist for maximizing institutional aid at participating colleges so you can plan your activities starting in 9th grade to get the most grant money.

 **Activities:**

1. Worksheet: A Brief Guide to Financial Aid
 - a. Estimated time: 20-30 min
 - b. Students will consider the difference in tuition and financial aid at public vs. private 4-year colleges. Student will evaluate the differences in merit aid available and how that can impact net price.

 **Requirements:**

1. Printed hard copies of the worksheet

Worksheet: A Brief Guide to Financial Aid

Terms to Know

Aid Term	Definition
Grants (<i>a.k.a awards, gift aid, or scholarships</i>)	Aid money awarded to you that you do not need to pay back!
Loans	Aid money that you borrow and must pay back over time.
Need-Based	Aid that is awarded based solely on the financial situation of you and your family.
Merit-Based	Aid that is awarded based on your academic and extracurricular achievements throughout high school.

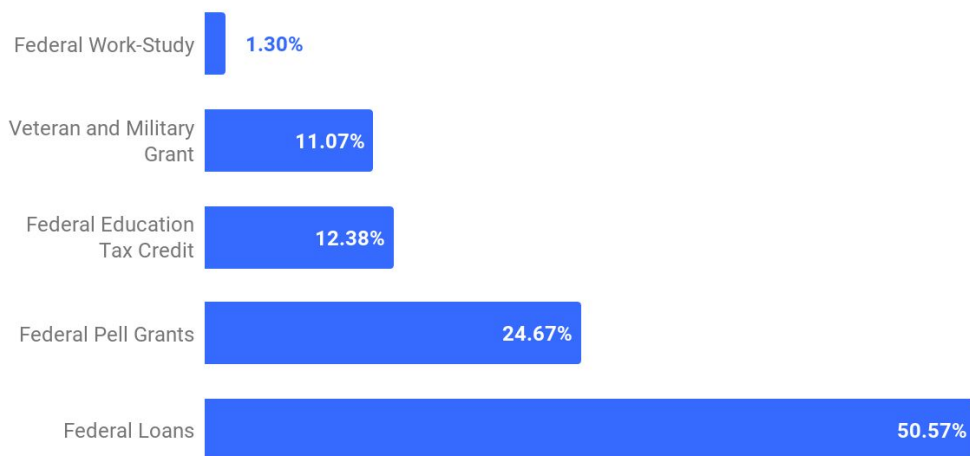
Sources of Financial Aid – Federal Government

The federal government awards more than \$120 billion/year in financial aid to students. This aid is awarded exclusively based on **demonstrated need**. Your eligibility is determined from your FAFSA application!

There are three main types of federal student aid:

1. **Loans**
 - a. *Subsidized*: the loan will not accumulate interest until after college graduation
 - b. *Unsubsidized*: your loan accumulates interest while enrolled in college
2. **Grants**
 - a. *Pell Grant* is the largest award type
3. **Work-Study**
 - a. A program coordinated by your college wherein you obtain a job to help pay for expenses.

Federal Aid Types by Percent of Total Awarded Each Year



In addition to Pell, the two other main categories of federal grants are:

- Federal Education Tax Credit: When your parents file their taxes they can get money back to help offset the cost of your college.
- Veteran and Military Grant: If you or a family member have completed military service (or if you are in or will enroll in an ROTC program) you are eligible for additional scholarships.

Sources of Financial Aid – Institutional

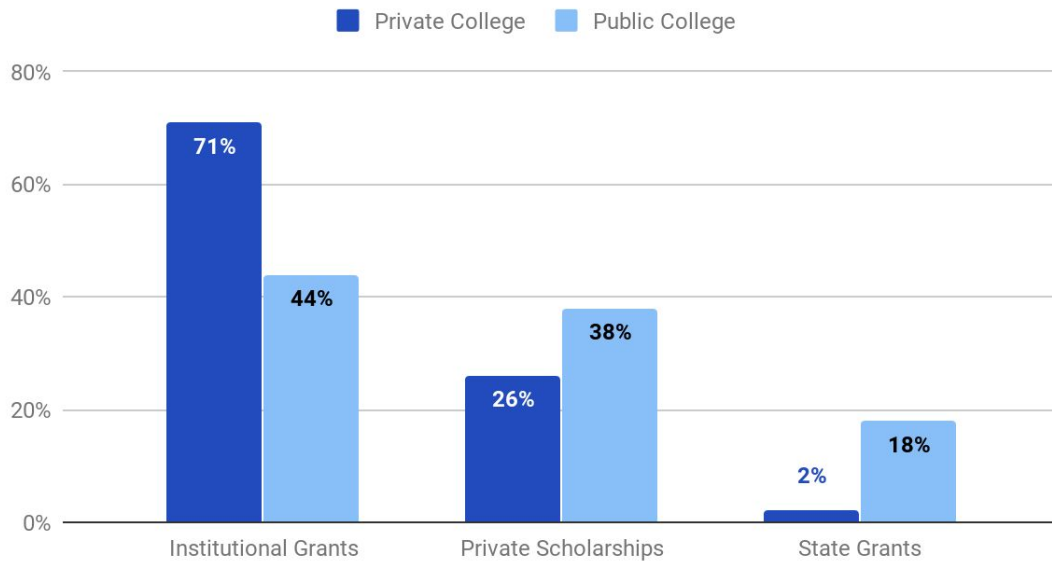
The second largest source of financial aid, after Federal Loans, are **Institutional Grants**—awards that come directly from colleges and universities.

Each year colleges award more than \$40 billion in grants (scholarships) to undergraduate students. Institutional grants are based on merit and need.

RaiseMe calculates the merit-based grants you are eligible to earn at the hundreds of participating colleges and universities.

The idea, then, is for you to know throughout high school what you can do in and out of school to maximize the amount of money you'll be gifted from colleges of interest.

Percent of Total Merit-Based Aid by Source



For both public and private colleges, the leading source of merit aid is directly from the institution. Be sure to look at RaiseMe college micro-scholarship programs to learn how to maximize that aid!

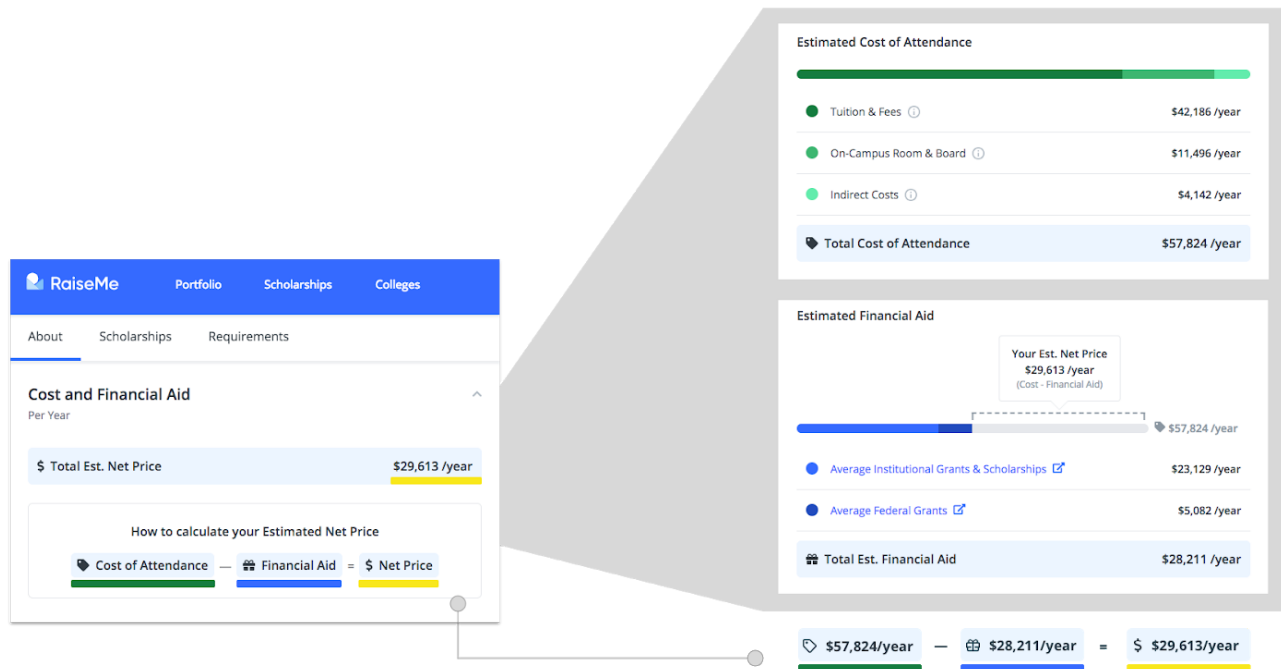


What are the major differences you notice between sources of merit aid for public vs. private colleges?

Financial Aid info on RaiseMe

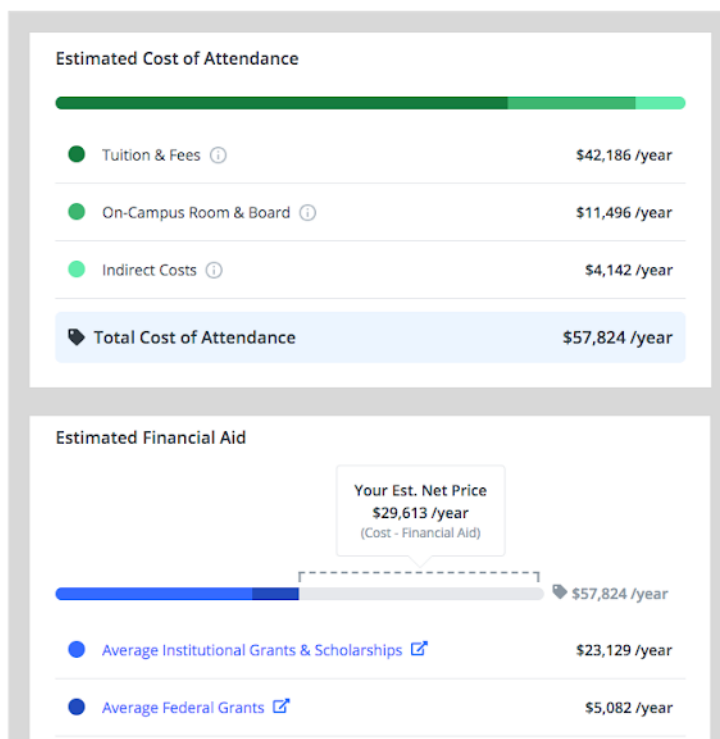
For every college you discover on RaiseMe, you'll be able to see detailed information, including cost and financial aid estimations.

Here's an example from a four-year private college:



Financial Aid – Private Colleges

Now that we've looked at the calculation, let's take a closer look at the details. Consider the cost and aid breakdown for this sample 4-year **private** college:

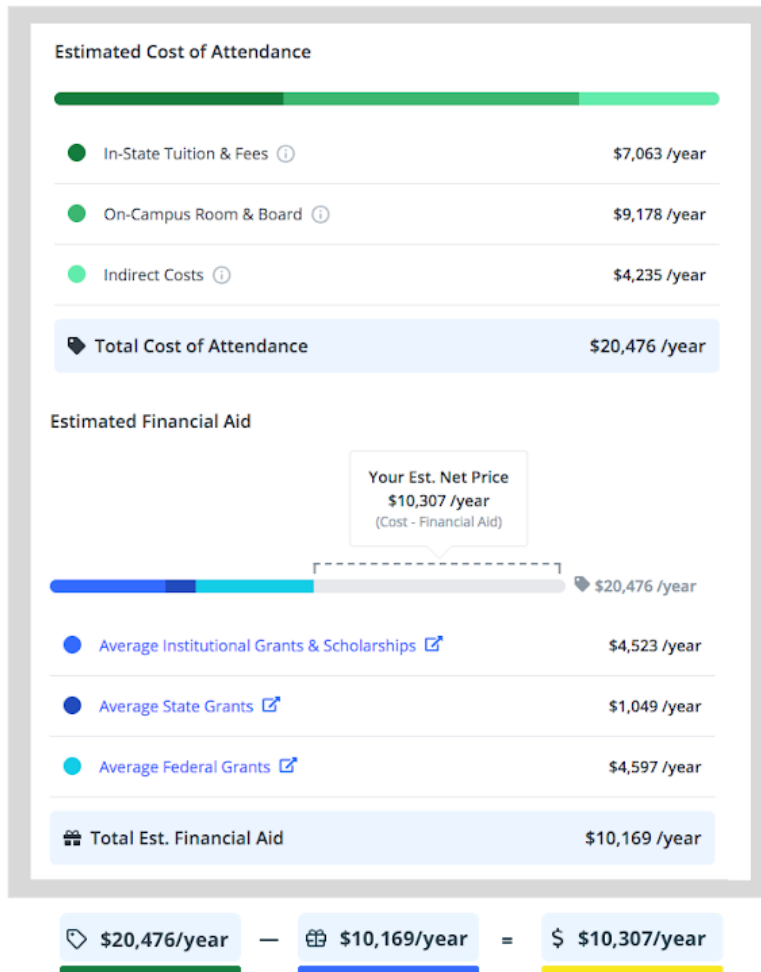


For the average student at this college, from where are they receiving the bulk of their financial aid?

What percentage of the estimated cost will actually be paid once financial aid is subtracted?

Financial Aid – Public Colleges

Now consider the cost and aid breakdown for a sample 4-year **public** college for an *in-state* student:



What percent of the estimated cost of attendance is tuition and fees?

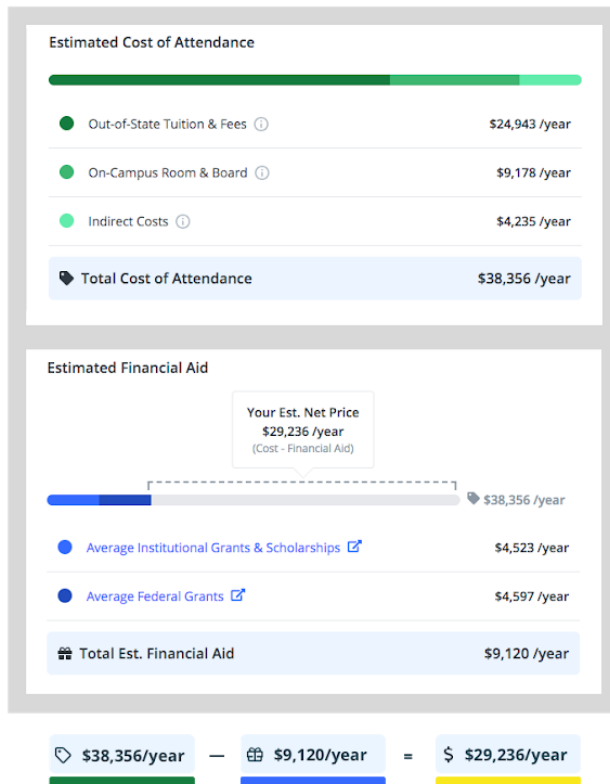
What percentage of the estimated cost will actually be paid once financial aid is subtracted?

As an in-state student, what are some ways they could cut down the estimated cost of attendance even further?

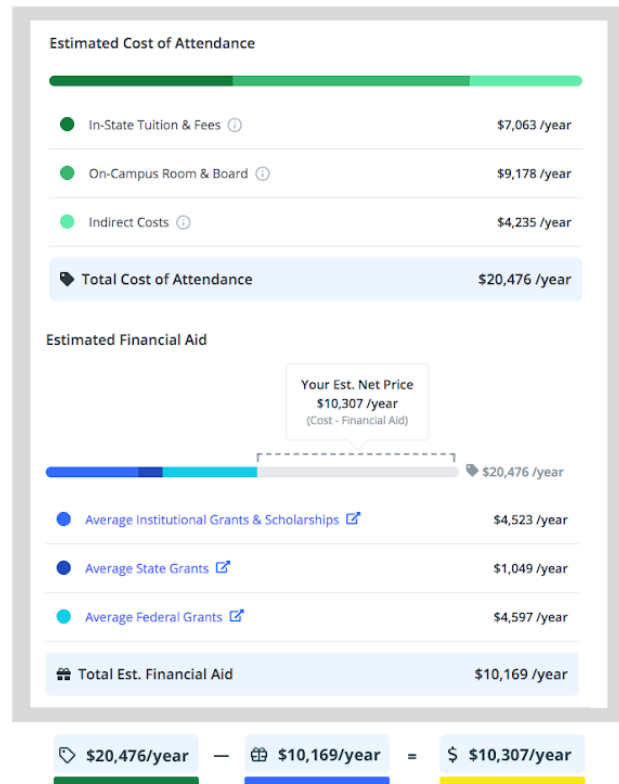
Financial Aid – Public, In vs. Out of State

Next, compare and contrast the cost and aid at that **public** college for *in vs out-of-state* students:

Out-of-state student



In-State Student

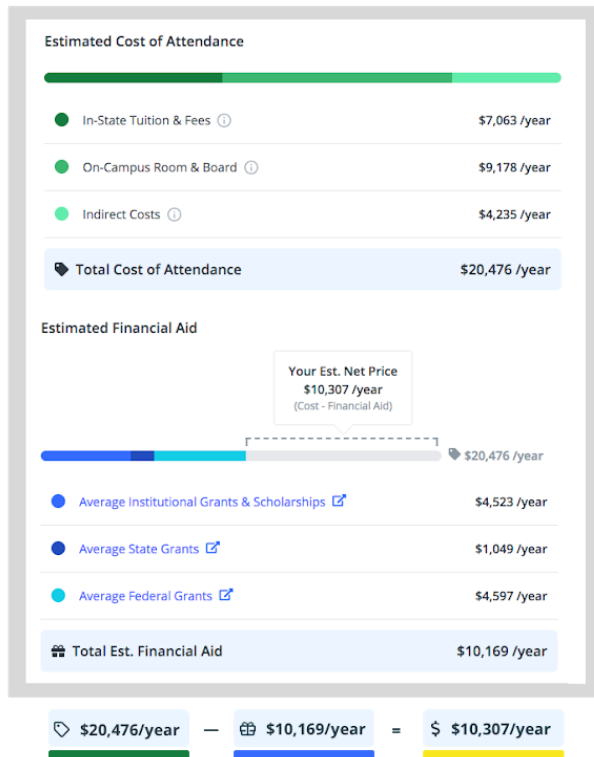


What's the difference in estimated net price for in vs. out-of-state students? Between the two breakdowns, what's contributing the biggest difference for in vs. out-of-state? What's different about financial aid for in-state students?

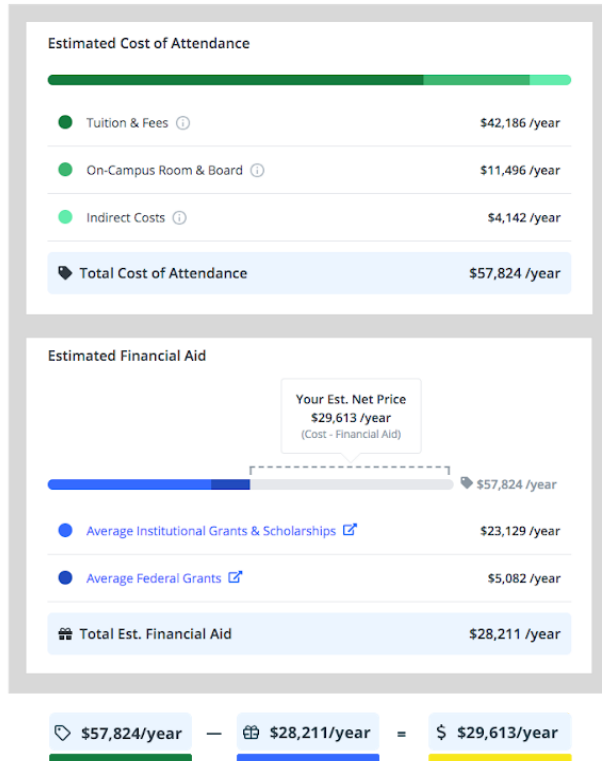
Financial Aid – Public vs. Private Colleges

Finally, let's consider the difference in cost and aid for *in-state* **public** vs **private** college:

In-State Public College



Private College



1. What are the similarities in cost and aid for the two colleges?
2. What are the differences?
3. What would be the major factors you'd consider if deciding between a public in your state or private college?

Dear Future Student,

Welcome to Our Awesome College! Since **we received your application and you were accepted**, we are pleased to offer you the following financial assistance after complete review. To help with financial planning, we have also listed the estimated cost of attendance for a full-time student below.

Cost of Attendance (Estimated)


Direct Cost	
Items	Annual Cost
Tuition & Fees	\$40,000
Room & Board	\$10,000
Estimated Total	\$50,000

Indirect Cost

Items	Annual Cost
Books	\$2,000
Transportation	\$1,000
Estimated Total	\$3,000

Financial Aid Offer

Estimated Grants & Scholarships

Items	Annual Aid
 Institutional Grant or Scholarship	\$17,000
State Grant	\$3,000
Federal Grant	\$5,000
Estimated Total	\$25,000

Estimated Loans

Items	Annual Loan
Federal Subsidized Loan	\$7,000
Federal Unsubsidized Loan	\$3,000
Estimated Total	\$10,000

For any questions regarding micro-scholarships, please visit www.help.raise.me. For any questions about your financial award letter directly, reach out to our Financial Aid Office at financialaid.ourcollege.edu.

Sincerely,
Your Future Financial Aid Office



Understanding Your Award Letter & Micro-Scholarships

Here’s a guide to help you read your award letter and understand how micro-scholarships fit in to financial aid.

Keep in mind, the amounts shown in the letter are examples. You'll need to apply and be accepted in order to receive a financial award letter from the college.

<p>Dear Future Student,</p> <p>Welcome to Our Awesome College! Since we received your application and you were accepted, we are pleased to offer you the following financial assistance after complete review. To help with financial planning, we have also listed the estimated cost of attendance for a full-time student below.</p>	
A Cost of Attendance (Estimated)	
Direct Cost	Annual Cost
Items	
B Tuition & Fees	\$40,000
C Room & Board	\$10,000
Estimated Total	\$50,000
D Indirect Cost	Annual Cost
Items	
Books	\$2,000
Transportation	\$1,000
Estimated Total	\$3,000
Financial Aid Offer	
Estimated Grants & Scholarships	Annual Aid
Items	
Institutional Grant or Scholarship	\$17,000
	\$3,000

- A** **Cost of Attendance**
This is the estimated cost to attend this school for one academic year before financial aid is applied (sometimes it is broken out into Fall and Spring terms). Cost of attendance includes everything from fixed costs, like tuition, to variable costs, like personal expenses.
- B** **Tuition & Fees**
This is the price of the classes you will take and other mandatory costs of campus life. Most financial aid will only go towards tuition. Your micro-scholarships, which reflect institutional grants and scholarships help to pay for tuition only, not room and board.

- C** **Room & Board**
This is the cost for the poster boards for all the book reports you'll be doing. Psych! It's a funny term for the estimated cost to live either on- or off-campus and eat breakfast, lunch, and dinner (often called a meal plan) - no snacks! The actual charges for room and board may vary based on your housing decisions (single-room v. shared-room).

- D** **Indirect Costs**
Indirect costs are educational costs you will need to pay--like books and supplies, travel, and personal expenses such as laundry, snacks, and entertainment. Indirect costs can vary based on your choices (e.g., buying used v. new books, late night pizza every night).

Net Price—what will my cost be?

Don't worry, the Net Price, (the money you and your family will actually pay), is often much less than the Estimated Cost of Attendance listed.

Net Price is the Direct Cost of college (tuition, fees, room & board) minus any Grants and Scholarships you may receive.

A Direct Cost — **F** Grants & Scholarships = Net Price

Note, Loans and Work Study will not help reduce your Net Price.

Now let's look at Financial Aid!



Indirect Cost

Items	Annual Cost
Books	\$2,000
Transportation	\$1,000
Estimated Total	\$3,000

E Financial Aid Offer

F Estimated Grants & Scholarships

Items	Annual Aid
G Institutional Grant or Scholarship Celebrate! This is where you will see your RaiseMe earnings included.	\$17,000
H State Grant	\$3,000
I Federal Grant	\$5,000
Estimated Total	\$25,000

J Estimated Loans

Items	Annual Loan
Federal Subsidized Loan	\$7,000
Federal Unsubsidized Loan	\$3,000
Estimated Total	\$10,000

For any questions regarding micro-scholarships, please visit www.help.raise.me. For any questions about your financial award letter directly, reach out to our Financial Aid Office at financialaid.ourcollege.edu.

Sincerely,
Your Future Financial Aid Office

E Financial Aid Offer

This is money to help you pay for the cost of attendance. A financial aid offer may include money you do and/or don't need to pay back. One thing to note — it can't be larger than the cost of attendance. While it'd be nice, that would mean they are paying you to go to school!

F Estimated Grants & Scholarships

Sometimes called gift aid, this is money awarded to you that **you do not need to pay back**. It can be awarded based solely on the financial situation of your family (i.e., grants), based on your academic and extracurricular achievements from high school (i.e., scholarships) or both. Gift aid may come from the federal or state government, the college, or outside private organizations.

G Institutional Grant or Scholarship (RaiseMe)

This is aid you'll receive from the college directly. Institutional grants and scholarships can have all sorts of names, like *the President's Scholarships*, *Wildcat Excellence Award*, *University of Arizona Grant*. Note, this number should always be greater than or equal to your RaiseMe earnings. If the number is greater, pat yourself on the back—it means the college has decided to award you even more than was guaranteed on RaiseMe! Woohoo!

H State Grant

This is aid received from your home state for attending a college or university in your home state. Being a local pays off!

I Federal Grant

These are need-based awards, the most common of which is the Pell Grant. You'll need to complete the FAFSA to see if you qualify. Fill out your FAFSA starting **Oct 1 of your senior year** to see if you qualify for financial aid. Check out fafsa.ed.gov for deadlines.

J Estimated Loans

This is money that you borrow and **must pay back** over time with interest. There are different types of loans that have different terms, so be sure to research the loans proposed in your award letter.