

Comparing Student Loans

SUBMITTED BY: Brian Page

SUBJECT(S): Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, students explore different types of student loans and figure out which loans might be best for them. They will also create an infographic to help other teenagers learn about student loan options and how to select the best one.

≡ NBEA STANDARD(S):

- Personal Finance, I. Personal Decision Making
- Personal Finance, VII. Using Credit

≡ RELATED ARTICLES:

- [“Zina Kumok’s Guide to Smart Student-loan Liftoff”](#)
- [“When It Comes to Student Loans, It Pays to Finish Your Degree”](#)
- [“Two Young Women Share their Struggles and Successes with Student Loan Debt”](#)
- [“The Rising Costs of a U.S. College Education”](#)
- [“The Ins and Outs of Interest — from a Student Loan Survivor”](#)
- [“The College Investment: Will It Pay Off?”](#)
- [“Paying for College: Why the Money Issue Is a ‘Big, Big Deal’”](#)
- [“Getting Creative with Money”](#)
- [“Educator Toolkit: Paying for College”](#)
- [“Educator Toolkit: Is College Worth the Investment?”](#)
- [“College Decisions Sometimes Require Sacrifice”](#)

- “10 Truths about Student Loan Debt”

TOPIC/COMPETENCY: Credit and Debt

CEE National Standard: IV Using Credit

Jump\$tart National Standard: Credit and Debt

Standard 1. *Identify the costs and benefits of various types of credit*

Common Core State Standard: n/a

[CCSS.ELA-Literacy.RST.9-10.4](#)

[CCSS.ELA-Literacy.RST.11-12.2](#)

LESSON TITLE: Student loans

ESTIMATED TIME: 50 minutes

MATERIALS NEEDED: Internet access, computer, mobile device, [guided notes](#)

KEY VOCABULARY/TERMS: [financial need](#), [subsidized loan](#), [unsubsidized loan](#), [Direct Loan](#), [federal Perkins loan](#), [private loan](#), [PLUS loan](#)

WHY THIS MATTERS TO YOU NOW: According to the College Board, the average cost of tuition and fees for the 2014–2015 school year was \$31,231 at private colleges, \$9,139 for state residents at public colleges, and \$22,958 for out-of-state residents attending public universities. That’s a lot of money! Most students will end up with loans to pay for college. There are so many different kinds of loans. What would be best for you?

____ 1. Engage the students in a discussion about student loans by asking the following questions:

- Who plans on attending college after high school?
- Who has looked at the costs of attending college after high school? What have you found?
- How will you pay for college?

Many students will qualify for student loans to help pay for their education, but there are so many types of loans. Let's find out more!

_____ 2. Before students start investigating student loans, be sure to communicate that a student loan is money that is borrowed by the student to help pay for the costs of tuition and living expenses while in school. It is money that needs to be repaid with interest. It is not “free” money like a scholarship or a grant. One way that student loans vary is how the interest is calculated and added to the amount that students owe. Show students the video detailing the differences between subsidized and unsubsidized student loans: [Student Loans : How to Compare Unsubsidized vs. Subsidized Student Loans](#). Ask students which type of loan they would prefer – subsidized or unsubsidized – and why.

_____ 3. Have students take guided notes on the article [Quick Guide: Which College Loans Are Best?](#) using the provided chart. Review results about the most common types of student loans.

ADDITIONAL READING

Check out the following Wharton Global Youth Program articles: [Two Young Women Share their Struggles and Successes with Student Loan Debt](#), [Zina Kumok's Guide to Smart Student-loan Liftoff](#)

ASSESSMENT

Have students create an infographic to help other teenagers learn about student loan options and how to select the best one. Students should do additional research to find information about student loans from multiple sources. To create the infographic, students should create a free account on [piktochart.com](#). This online tool allows students to use preset infographics or create others from scratch.

RELATED RESOURCES

WGYP Lesson Plan: [Student Loans](#)

WGYP Lesson Plan: [Paying for College](#)