

Using the 2008 College EduGuide in Your Classroom Lesson Plan and Activities on Personal Finance and Budgeting

This resource package includes:

- Lesson objectives
- Lesson activities
- Listing of skills associated with each activity
- Support materials including:
 - A mindmap
 - A graphic organizer
 - A reading comprehension activity
 - A checklist of college expenses
 - A budget plan worksheet
 - An evaluation checklist
 - An evaluation rubric
 - Reference to downloadable tools online

This lesson is designed to support deeper thinking about college financing for prospective college students.

References: "6 ways to keep more of your money" (p. 10) 2008 College EduGuide
"7 steps to saving money on student loans" (p. 12) 2008 College EduGuide

Lesson Objectives:

1. Students will think critically about the costs of attending college and ways to save money.
2. Students will research the expenses they are most likely to have at the college of their choice.
3. Students will create a personal budget for their first semester of college.
4. Students will write about how they plan to pay for their budgeted expenses.

Lesson – Planning a budget for college

This lesson is designed to complement a unit on personal finance or budgeting. It could be used as part of a college preparation curriculum for high school seniors or as part of a math curriculum.

Activities

A: Creating a context for understanding: MindMaps and Brainstorming

Skills: Critical thinking: predicting, oral communication, writing

- Using a mindmap, students think about the kinds of costs they are likely to have at college. (Appendix 1)
- Students share and compare their expected lists of expenses in groups
- In groups, students discuss strategies for saving money on the five biggest expenses. They record their thoughts on a graphic organizer (Appendix 2)
- Groups share their lists of expected expenses and money-saving strategies with the class.
- Teacher records these expenses on the board for the class as a reference.
- Students should revise their own mindmaps after the class discussion. Their mindmap should include all of the expenses that they personally expect to have during their first year at college.

B: Reading for understanding

Skills: reading comprehension, building connections and critical thinking

- Students read page 10 of the 2008 College EduGuide “6 ways to keep more of your money.”
- Optional: Students complete the comprehension questions after they’ve read the article. (Appendix 3) The questions are designed to reinforce comprehension and help students build connections to their experiences.
- Students also review the EduGuide College Expense Checklist (Appendix 4). They compare the article on p. 10, this checklist and its money-saving tips with those generated in class. Together, the class should identify differences/surprises between the EduGuide resources and their own thinking.

C: Researching real expenses and creating a budget

Skills: research, number sense, critical thinking

- Using the resources available to them – the Internet, parents, teachers, counselors, college admissions personnel, college websites, national survey data etc. – students research the most likely and realistic budget for all of the costs they expect to have during their first semester of college.
- Discuss expectations and evaluation criteria with students before work begins.
- Students download the EduGuide College Expense Budget Planner at www.EduGuide.org. It's a spreadsheet – available in MS Excel format and as a Google spreadsheet. (Also included as Appendix 7)
- Students complete the budget plan.
- As they record their budget projections, students should document their rationale, showing how they know these projections to be authentic and realistic. Columns have been added to the budget planner for this information.

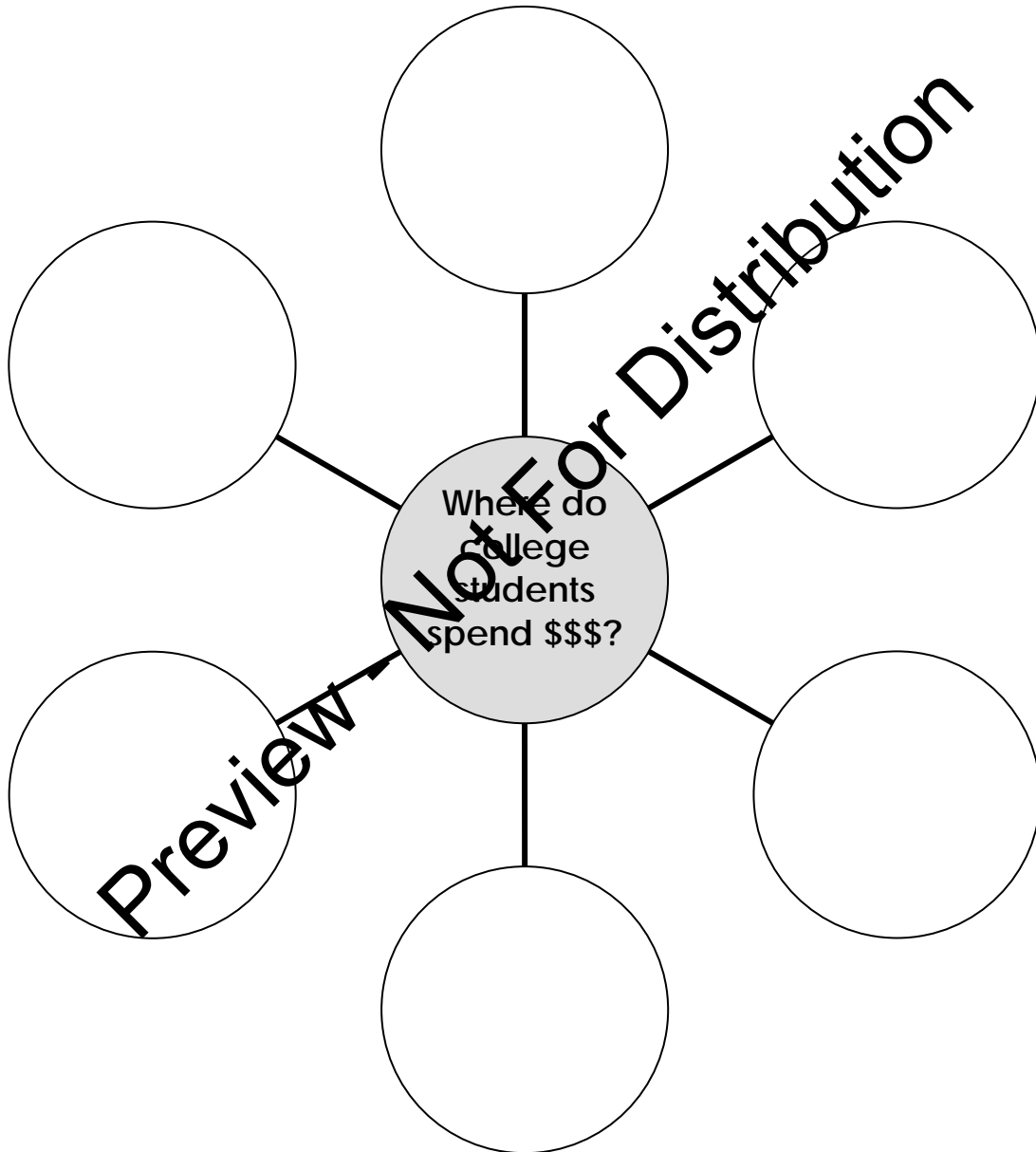
D: Writing about real life

Skills: Application of knowledge to real life, writing a summary

- Once the budget is complete, students write a one-page summary of how they plan to pay for college. The natural extension of making a budget is of course, figuring out how you're going to pay for it all.
- It's not enough for students to say "My parents are going to pay for college," or "I'm getting student loans." Students should talk to their parents about the college savings process and the sacrifices parents may have made to save up. Students should think about how much money they can contribute to their annual budget by working part-time. If students are planning to take out loans, they need to outline how they'll apply for, and keep their financial aid.
- For ideas, students can refer to the article "7 steps to saving money on student loans," on page 12 of the 2008 College EduGuide.

2008 College EduGuide: Budget Planning Expense Mind Map

Brainstorm the expenses you expect college students typically have. Record them in this mind-map. Add more "nodes" if you can think of more than six places for students to spend their money. Then, compare with three other students in a group discussion.



College EduGuide: Budget Planning

How could college students save money?

List the top 5 expenses college students are most likely to have. Together with your group, brainstorm ways for students to save money on these five big expenses. Record your thoughts in the chart below.

Expense	Money-Saving Strategies
1.	
2.	
3.	
4.	
5.	

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What do you think?

"6 ways to keep more of your money" (p. 10) 2008 College EduGuide

- 1) What money-saving strategy surprised you most from this article?

- 2) Think about your spending habits and the things you most love to buy.
 - a. How much do you currently spend on "fun stuff" each week?

 - b. What kinds of rules, if any, do you impose on yourself about how much you can spend? Why do you have these rules? If you don't have any rules, should you?

 - c. When do you find it hardest to NOT spend money? When you're out with your friends? When you're bored and shopping online? When you're in your favorite shop? When you're feeling kind of depressed and need something to cheer you up? Another time? List your money-spending triggers here.

- 3) In your opinion, why are credit cards so risky for college students?

- 4) Will you receive some kind of financial aid to attend college? A scholarship? Grant? A loan? A work/study arrangement? What will you have to do to keep your financial aid through college?

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2008 College EduGuide: Budget Planning

College Expense Checklist

by Susan J. Demas

Okay, so you know there's tuition. But what are some other college costs that can sneak up on you? Keep these in mind, so you keep your monthly budget in the black:

- \$___ **Housing.** Whether you live in a dorm, apartment or fraternity or sorority house, this will be a big chunk of your budget. Having a roommate (or four) can bring the cost down, but make sure you're all on the lease so you're not legally stuck with the whole tab.
- \$___ **Food.** You have a lot of options: an all-inclusive board plan through the college, buy your own meals or some combination. Try to hit the grocery store for healthier, less costly staples, not expensive convenience marts. And remember, living off pizza can still add up!
- \$___ **Transportation.** Keeping up with car payments and rising gas prices can really add up, but this is a necessary expense for many working and commuting students. Look at taking the city and/or campus bus to alleviate some of the costs and hoof it or ride your bike when you can.
- \$___ **Parking.** Few students can make it through four years of college without a collection of parking tickets as souvenirs. Carry lots of change with you – an extra quarter is worth avoiding a \$20 ticket. Better yet, map out where parking garages are – they're usually a better deal. And you don't have to run out in the middle of class to plug the meter!
- \$___ **Fees.** Check your college statements carefully and you'll probably notice activity, computer and miscellaneous fees. Usually, these are separate from tuition, so students don't know they have to shell out an extra \$50 to \$300 per semester.
- \$___ **Books.** There's no way around this one if you don't want to flunk your classes, but it does pay to shop around. Students can pay upward of \$500 per semester, so comparison shop between bookstores and browse online. Don't be afraid to go with used texts – you can save more than 50 percent sometimes.
- \$___ **Utilities.** If you don't live on campus, or even if you live in family housing, chances are you'll have to pay for at least one of these: electric, gas, water, phone, cable, Internet and sewer. Look for apartments where some or all utilities are included. Think about if you really need ESPN or HBO and if you can get by with going online when you're on campus.

- \$ ___ **Computers.** This is a costly purchase, ranging from \$500 to \$1,500. If you can feasibly research and write your papers at computer labs, you may be able to skip this one. But increasingly, as students take online classes and more courses incorporate online elements, a personal computer is becoming a necessity. Don't forget the additional costs of a printer, ink cartridges and paper. The good news is you can use this for years to come in the working world.
- \$ ___ **Housewares.** So you're living on your own. If you're in the dorms, you might not need more than an extra blanket, toiletries and a reading lamp. But if you're off-campus, you could have to buy everything from a bed to utensils to a vacuum cleaner. See if you can get a furnished apartment. If not, hit resale shops like Goodwill and watch for sales at discount stores. Don't worry about interior design – mismatched décor is all the rage in college.
- \$ ___ **Travel.** Don't forget to budget how much it costs to go back home, whether it's gas for your car, or a train, bus or plane ticket. Especially for out-of-state students, this can make a dent in your bank account.
- \$ ___ **School supplies.** It's amazing how much you can pay for a few pens, highlighters, notebooks and folders at the student bookstore. Don't lop those on for convenience – go to an office supply or discount store off-campus and cut your bill in half.
- \$ ___ **Lab fees.** Students in certain fields, especially sciences and engineering, will have additional costs. Usually, they're minimal, perhaps \$25 per class. But like anything, it can add up.
- \$ ___ **Clothes.** Luckily, college is not a fashion show. In fact, it's one of the few places where you regularly encounter people clad in pajamas. Make sure you have appropriate attire for work, but don't spend a lot of your budget dressing to impress in the classroom.
- \$ ___ **Laundry.** Don't skimp on this one, no matter how tempting. Washing and drying a load is only about \$2.50. Of course, you can always bring the bag back to your folks when you visit, as a college cliché.
- \$ ___ **Entertainment.** College campuses and towns typically offer a dizzying array of options in music, movies, art, parties, sports and restaurants – that's part of the fun! But it's also a great way to drain your wallet. The bar scene is especially good for busting a student budget, so spend wisely.

Budget Plan Assignment: Evaluation Checklist

Your budget plan will be assessed on the following criteria:

	Ye s	N o
1. Is your budget complete?		
2. Have you given a source and rationale for each of your numbers?		
3. Is the source for each estimated expense credible?		
4. Is your budget clearly based on your own life? Have you used numbers that truly represent expenses at the college you plan to attend?		
5. Is there evidence of considerable critical thinking in your work? (Eg. in your choice of expenses, in your attention to detail, in your research methods and rationale?)		
Total:		

On a scale of 1 to 5, where 1 means limited success and 5 means superior work, you have earned the following grade on your budget plan:

1 2 3 4 5

Teacher's Comments:

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Evaluation Rubric for Written Summary: How I plan to pay for college

Criteria/Points	1	2	3-4	5
Critical Thinking	-limited evidence of critical thought in response to the question "How will I pay for college"	-some evidence of critical thought in response to the question "How will I pay for college"	-considerable evidence of critical thought in response to the question "How will I pay for college"	- evidence of superior critical thought in response to the question "How will I pay for college"
Organization of Thoughts	-summary lacks organization and structure; thoughts difficult to follow	-summary sometimes flows logically; thoughts sometimes easy to follow	-summary usually flows logically, thoughts usually easy to follow	-summary is very well organized; logically coherent and easy to follow
Language	-many errors in grammar, sentence structure and punctuation -errors interfere with comprehension	-some errors in grammar, sentence structure and punctuation - errors may interfere with comprehension	-a few minor errors in grammar, sentence structure and punctuation but overall quality of language considered good -errors do not interfere with comprehension	-no errors in grammar, sentence structure or punctuation -superior transitions from one idea to the next -overall quality of language considered excellent

Overall Score: /15

Comments:

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Live worksheet also available for download at www.EduGuide.org

Freshman Budget Planner Worksheet				
Use this worksheet to plan your freshman budget. In the source columns, jot down where you found this info. Where possible, give full web address, names, titles etc. In the rationale column, justify your estimated expense figures. Did you have to make a ball-park estimation based on two people's opinions? Were you unable to exact figures so used similar info from another college?				
EXPENSES	Semester Budget \$	Source	Source	Rationale
<i>Eg. Tuition</i>	\$3200.00	<i>My college's website – costs listed for 2008 fall semester. www.myfuturecollege.edu</i>		<i>Fixed cost, no estimating here.</i>
Tuition:				
Student Fees:				
Books:				
School Supplies:				
Food:				
Room and Board:				
Rent:				
Electricity:				
Water:				
Heat/Air Conditioning:				
Laundry:				
Household items:				
Garbage pick-up:				
Renter's Insurance:				
Public Transportation:				
Car-monthly payment:				
Car-gas:				
Car-insurance:				
Car-maintenance:				
Car-license/registration:				
Medical Insurance:				
Medical Expenses:				
Dental Insurance:				
Dental Expenses:				
Cable/Satellite TV:				
Cell phone:				
Telephone:				
Internet:				
Entertainment:				
Gifts:				
Clothes:				
Miscellaneous:				
Other:				
Total:				

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INCOME	Semester Budget \$	Income Source	Already confirmed?	Steps to getting this income
<i>Eg. Income from part-time job</i>	<i>\$1 000.00</i>	<i>15 hours/week at campus coffee shop</i>	<i>No – don't have this job yet, but hopeful</i>	<i>Update resume, talk to coffee shop manager, apply for job formally.</i>
Income from part-time job:				
Income from summer job:				
Income from student loan:				
Income from financial aid:				
Income from scholarships and bursaries:				
Income from family:				
Income from business:				
Income from other source:				
Total:				
Income/Expense Difference:				

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Explanation of Expense Categories

Tuition:	Some schools require you to pay before you register for classes, but others allow you set up a payment plan. If you are paying tuition monthly, add the expense here.
Student Fees:	In addition to tuition, schools charge students extra fees that pay for campus services. Some of these fees are required and some are optional. To save cash, opt out where possible. This may be a one-time expense, but you might be able to include fees in your monthly tuition payment plan.
Books:	Often, the biggest book expenditure comes at the start of the semester. In September and January, you may have to budget a lot for books (it's not unheard of to spend \$500 + on books/semester). For this reason, you'll need to budget more for books early in the semester. Remember there are ways to minimize this expense. Use the library. Buy used copies. Check out online versions.
School Supplies:	Paper, printer cartridges, pens, binders, file folders etc. etc. etc. What can you afford to spend each month?
Food:	Include snacks, coffee, meals out, late-night pizza and weekly groceries here.
Room and Board:	Like tuition, some schools require you to pay for residence (room) and the meal plan (board) up front. If you're footing the bill and paying monthly, include this expense here.
Rent:	If you're living off campus, include your rent payment here.
Electricity:	If you're living off campus and utilities aren't included in your rent, add your share of the electric bill here.
Water:	If you're living off campus, and utilities aren't included in your rent, add your share of the water bill here.
Heat/Air Conditioning:	If you're living on campus, and utilities aren't included in your rent, add your share of the heat/air conditioning bill here. Commonly, homes are heated/cooled by natural gas, oil or electricity.
Laundry:	If you don't have free laundry facilities what does it cost each month to use the laundromat? What about dry cleaning? Add this expense here.
Household items:	Dish soap, cleaning supplies, plastic wrap? If you live off campus, you'll need to pay your share of regular household expenses. If you live on campus, you may still want to have a few household items in your room.
Garbage pick-up:	If you're living off campus, you may have to pay for garbage pick-up every month. If this service isn't included in your rent, add this expense here.
Renter's Insurance:	If you're living off campus and renting, you may want to buy renter's insurance that covers your possessions against fire, theft and damage. It's not required, but depending on your situation, it might be a wise expense.
Public Transportation:	If you need to take public transport to get to campus and around town, add the cost of a monthly student pass here.
Car-monthly payment:	If you must own a car and you're making a monthly payment on it, include it here.
Car-gas:	If you must own a car, add what it costs to fill the tank each month.

Car-insurance:	If you own a car, you have to have insurance. Add this expense here.
Car-maintenance:	If you own a car, you have to keep it running. Reserve some money in your budget every month for oil changes, scheduled service and emergency repairs.
Car-license/registration fee:	This is usually a one-time fee, but if you own a car, you have to renew your vehicle registration annually. Set some money aside every month so you've got the cash when you have to renew.
Medical Insurance:	Include your monthly medical insurance premium here.
Medical Expenses:	Include monthly co-pays, prescription drug costs and any other medical expenses here.
Dental Insurance:	Include your monthly dental insurance premium here.
Dental Expenses:	Include dental expenses that aren't covered by your insurance plan here.
Cable/Satellite TV:	If you live off campus, have a television and pay for cable or satellite, add the expense here.
Cell phone:	Include your monthly cell phone cost here.
Telephone:	If you have a landline or use a phone service through your Internet connection in your dorm room or in your apartment, include the expense here.
Internet:	If you pay for Internet monthly, add the cost here.
Entertainment:	What can you afford to spend on fun? Include the cost of things like movies, cover charges, concerts, drinks etc.
Gifts:	How much can you set aside for your friends and family?
Clothes:	What can you afford to spend on clothes each month?
Miscellaneous:	You may want to reserve a little cash for incidental or unexpected expenses each month.
Other:	Include any other unique expenses you have each month.
Other:	Include any other unique expenses you have each month.

Explanation of Income Categories:

Income from part-time job:	Include monthly income from employment here.
Income from summer job:	If you worked all summer and saved up, figure out how much you will draw from this fund each month.
Income from student loan:	How much money do you draw from your student loan each month? Include it as income here.
Income from financial aid:	How much money do you draw from state or federal financial aid? Include it as income here.
Income from scholarships and bursaries:	How much money do you collect or draw from your scholarships and bursaries each month? Include it as income here.
Income from family:	Do you receive financial support from your parents? Grandparents? Another family member? Include it as income here.
Income from business:	Entrepreneurial students generate cash by running their own businesses. If you've got something going on the side, include your monthly income here.
Income/Expense Difference:	This calculation will help you live within your means. Your income should be MORE than your expenses; otherwise, you're in debt. If the income/expense difference is a negative number (eg. -253) evaluate your expenses and re-adjust. For accounting majors out there - this figure is usually called Net Income.