

 **BUILDING BLOCKS STUDENT WORKSHEET**

Composing songs and verses about paying for college

College or other post-secondary programs can be a major investment in your future. It's helpful to understand some key strategies people use to cover the costs.

Instructions

- 1 Review the ways people pay for higher education on this worksheet or on these websites:
 - U.S. Department of Education's Federal Student Aid website at <https://studentaid.gov/understand-aid/types>
 - The Consumer Financial Protection Bureau's "Student loans" page at <https://www.consumerfinance.gov/consumer-tools/student-loans/>
- 2 Compose a song, rap, or poem that communicates a few ways people pay for college.
- 3 Make sure your song, rap, or poem includes all the elements listed on page 3 and can be performed or read in 30 to 90 seconds.

Strategies for paying for college

Many people use a combination of savings and financial aid to pay for higher education. Saving money over time can help prepare you for these costs.

Saving for college

- **Savings account:** An account at a bank (sometimes called a share savings account at a credit union) used to set aside money and that pays you interest.



- **529 plan:** A tax-advantaged savings plan designed to help families save money for future educational costs. There are two types of 529 plans: 529 prepaid plans and 529 savings plans.
- **529 prepaid tuition plan:** A type of 529 plan that allows families to pay tuition ahead of time for specific colleges or college systems at today's tuition rates.
- **529 savings plan:** A type of 529 plan that allows you to invest your education savings in various types of investments, including mutual funds. Like a 401(k) or IRA retirement plan, your account could go up or down depending on market performance. This plan, also called an education savings plan, is typically sponsored by a state and may be available from a private investment firm. You also can use this plan to help pay tuition at public, private, or religious schools from kindergarten through 12th grade.
- **Certificate of deposit (CD):** Savings tool with fixed maturity date and fixed interest rate.

Financial aid

- **Federal student loans:** Are from the U.S. Government and have terms and conditions that are set by law. Federal loans also include benefits that private student loans don't usually offer, such as lower interest rates, repayment plans based on income, and possible loan forgiveness for people who choose to work in government or for certain not-for-profit organizations or teach in a low-income school.
- **Federal Work-Study:** A program that provides part-time jobs to help you earn money to pay for college expenses.
- **Financial aid:** Money given in the form of grants, work-study, loans, or scholarships to help pay for post-secondary tuition and fees, as well as related expenses such as room and board, books, supplies, and transportation.
- **Grant:** A type of financial aid that typically does not have to be repaid, unless, for example, you withdraw from school and owe a refund; often need-based.
- **Loan:** Money that needs to be repaid by the borrower, generally with interest. (You'll have to pay interest on student loans.)
- **Private student loans:** Are from private organizations, such as banks and credit unions, which set their own terms and conditions. Private loans generally are more expensive than federal loans.
- **Scholarships:** Money that students receive based on academic or other achievements to help pay education expenses. Scholarships generally don't have to be repaid.

Compose a song, rap, or poem about paying for college

Compose a song, rap, or poem about ways people pay for higher education. Refer to the rubric below to make sure you've included all key elements. Use a separate piece of paper if necessary.

Required elements

- Explains why higher education can be a worthwhile investment
- Includes at least three accurate examples of how people pay for college
- Includes at least three well-chosen words or phrases that show your knowledge and understanding of financial aid and savings plans
- Contains creative descriptions that lead to the listener's enjoyment and learning about the topic
- Uses rhythm or rhyme to engage the listener