

## Lesson Plan 3: Grants, Loans and Scholarships: What's the Difference?

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### Core [www.cfnc.org](http://www.cfnc.org) Area:

Financial Planning

### Total Time:

2-50 minute sessions

### Target Grades:

Appropriate for 9-12, Recommended for grade 11

### Suggested Timeline:

Grade 11: Fall Semester

### ASCA Correlation

(Which of the ASCA Standards does this lesson address?)

A-A	A-B	A-C	C-A	C-B	C-C	PS-A	PS-B	PS-C
			X	X	X		X	

### Lesson Objectives

(What will students know and be able to do when the lesson is complete?)

By the end of the lesson, students will understand the differences between Grants, Loans, and Scholarships.

### Materials Needed

(What materials are needed to deliver this lesson?)

Reserve computer lab or computer cart

Grants, Loans and Scholarships: What's the difference? worksheets

3 poster boards (for large class sizes, you may choose to use 6 poster boards)

### Advance Preparation

(What does the instructor need to do in advance in order to be prepared to deliver this lesson? How much time is required for advance prep?)

Print Grants, Loans and Scholarships: What's the difference? worksheets – 10 min

Gather poster boards

### Activator (Typically 5-10 minutes)

(How will you tap into the learners' background knowledge and help them view the lesson as relevant?)

Demonstrate the importance of understanding the differences between types of financial aid by discussing the following points:

- There are three major types of financial aid
  - Scholarships
  - Grants
  - Loans
- Some of these need to be repaid and some do not.
- By developing an understanding of each of these students will be better able to
  - Apply for various types of Financial Aid
  - Understand Financial Aid packages

[www.cfnc.org](http://www.cfnc.org) will:

- Provide students with information regarding the types of financial aid
- Save student work



## Core Learning Strategies/Lesson Activities (Typically 30-40 minutes)

(How will you facilitate the learning of knowledge/skills using adult learning strategies? How will you provide for skill practice? How will you differentiate learning, as appropriate, for different roles, skill levels, and experience?)

Session #	Step #	Responsibility	Action Steps
1	1	School counselor	<ul style="list-style-type: none"> <li>Focus on today's work:               <ol style="list-style-type: none"> <li>Asks the students to divide into 3 groups (Larger classes can divide into 6 groups with two groups working on each topic)</li> <li>Asks Students to sign into <a href="http://www.cfnc.org">www.cfnc.org</a> and click on the Financial Aid Planning Tab, then on Financial Aid 101</li> <li>Distributes the What are the Types of Financial Aid Worksheet. Gives one group the Scholarship Worksheet, the second group the Grants worksheet, a third group the Loans worksheet</li> <li>Distributes 1 poster board to each group</li> </ol> </li> </ul>
	2	School counselor	<ul style="list-style-type: none"> <li>Explains that the assignment will have 3 parts:               <ol style="list-style-type: none"> <li>students will use the Financial Aid Planning section of <a href="http://www.cfnc.org">www.cfnc.org</a> to answer the questions on the worksheet.</li> <li>students will design a poster board featuring the answers to the questions.</li> <li>students will present the information on their topic to the class in a second session.</li> </ol> </li> <li>Ask students to assign the following tasks to group members: Researching answers to questions, recording answers, designing the poster board, and presenting to the group.</li> </ul>
	3	Students	<ul style="list-style-type: none"> <li>Assign tasks to team members</li> <li>Answer questions on worksheets</li> <li>Design the bulletin board</li> </ul>
	4	Counselor	<ul style="list-style-type: none"> <li>Circulates and addresses any questions that the students may have</li> <li>Collects student work at the end of class</li> </ul>

<b>Session #</b>	<b>Step #</b>	<b>Responsibility</b>	<b>Action Steps</b>
2	5	Counselor	<ul style="list-style-type: none"> <li>• Asks students to rejoin their groups</li> <li>• Distributes poster boards and worksheets from previous session</li> <li>• Summarizes the lesson from the previous session</li> <li>• Asks each group to present their information</li> <li>• Distributes blank worksheets from each topic area for the class to fill out based on the presentations by their classmates.</li> </ul>
	6	Students	<ul style="list-style-type: none"> <li>• Present their groups findings to the class with the aid of their poster boards.</li> <li>• Students who are NOT presenting (the audience) complete the worksheet related to the topic being presented</li> </ul>
2	7	Counselor	<ul style="list-style-type: none"> <li>• Ask students to write a journal entry reflecting on the questions: Which type of financial aid would you most like to receive? How can you start preparing now to earn that type of financial aid?</li> </ul>
		Student	<ul style="list-style-type: none"> <li>• Completes reflection questions in <i>Your Journal</i> section of <i>Your Portfolio</i> section of <a href="http://www.cfnc.org">www.cfnc.org</a> .</li> </ul>

(chart from RI School Counselor Association's Toolkits, found at [www.rischoolcounselor.org](http://www.rischoolcounselor.org))

### Summarizer/Informal Assessment (Typically 5-10 minutes)

(How will you engage learners in processing and summarizing what they learned? How will you know that the objective has been achieved?)

- Complete reflection in Portfolio of [www.cfnc.org](http://www.cfnc.org) .
- Attach worksheet to portfolio or save in a paper portfolio.

### Follow-Up

(What additional learning could occur during the year? When?)

- Student and counselor will review information during financial aid planning
- Student, parent, and counselor can refer to this worksheet when discussing options for paying for college.



## Grants, Loans, and Scholarships: What's the Difference?

### Grants

Answer the following questions about Grants using the information in [www.cfnc.org](http://www.cfnc.org) . Search for the answers in the Financial Aid Planning Tab in the program.

1. What is a grant?
  
2. Are grants renewable?
  
3. Do you need to complete a FAFSA in order to be eligible for need-based grants?
  
4. What is the difference between grants that are need-based, grants that are merit based assistance and grants that are gift aid?
  - a. Merit-based assistance
  
  - b. Need-based assistance
  
  
  - c. Gift aid
  
5. What is a Federal Pell Grant?
  - a. How do I apply for a Pell Grant?
  - b. How much money can you get from a Federal Pell Grant?
  - c. What 4 things effect the amount of money your receive from your Pell Grant?
    - i. –
    - ii. –
    - iii. –
    - iv. –
  
6. Name two other federal grants based on need:



**Grants, Loans, and Scholarships: What's the Difference?**  
**Grants (Educator's Version/Answer Key)**

**Answer the following questions about Grants using the information in [www.cfnc.org](http://www.cfnc.org) Search for the answers in the Financial Aid Planning Tab in the program.**

*Note to educators – the answer to each question AND one place that the answer is located within [www.cfnc.org](http://www.cfnc.org) are listed after each question. If students are unable to find the answer, you can prompt them to look in the appropriate location.*

1. **What is a grant?** A grant is money given to students for their education. Often based on need, grants may come from federal or state programs, or sometimes from private charitable organizations. It does not have to be repaid. (Financial Aid Glossary)
2. **Are grants renewable?** Yes (Financial Aid 101>Apply! Apply! Apply!> Scholarships and Grants)
3. **Do you need to complete a FAFSA in order to be eligible for need-based grants?** Yes (Financial Aid 101>The Basics>What are the categories of Financial Aid)
4. **What is the difference between grants that are need-based, grants that are merit based assistance and grants that are gift aid?**
  - a. **Merit-based assistance** is awarded to students with a particular skill, achievement, talent or characteristic.
  - b. **Need-based assistance** is provided to students who cannot afford college using only their own or their family's financial resources. The level of need is determined through federal, state and institutional formulas.
  - c. **Gift aid** is money that does not normally have to be repaid, such as grants and scholarships. ((Financial Aid 101>The Basics>What are the categories of Financial Aid)
5. **What is a Federal Pell Grant?** Federal Pell Grants are awarded to students on the basis of financial need and do not have to be repaid. These grants are considered the foundation of federal financial aid, to which aid from other federal and non-federal sources might be added.
  - a. **How do I apply for a Pell Grant?** Fill out a FAFSA
  - b. **How much money can you get from a Federal Pell Grant?** \$5,350 (2009-2010)
  - c. **What 4 things effect the amount of money your receive from your Pell Grant?**
    - i. EFC (Estimated Family Contribution)
    - ii. Your cost of attending school
    - iii. Your student status (full or part time)
    - iv. Your program's length of study

(Financial Aid 101>Federal Grants Based on Need>What is a Federal Pell Grant?)

6. **Name two other federal grants based on need:** Academic Competiveness Grant, Federal Supplemental Educational Opportunity Grant, National Science and Math Access to Retain Talent Grant, Leveraging Educational Assistance Partnership Program (Financial Aid 101>Federal Grants Based on Need)



## Grants, Loans, and Scholarships: What's the Difference?

### Scholarships

Answer the following questions about Scholarships using the information in [www.cfnc.org](http://www.cfnc.org) Search for the answers in the Financial Aid Planning Tab in the program.

1. What is a Scholarship?
2. Are scholarships based on financial need?
3. Who funds Scholarships?
4. What are Scholarship awards based on?
5. Do Scholarships need to be repaid?
6. Scholarships can be merit based or need based assistance. Define these:
  - a. Merit-based assistance
  - b. Need-based assistance
7. Using the Find Scholarships feature, search for National Merit Scholarship. Several will be listed. Select one and answer the following questions based on your choice:
  - a. When is the application deadline?
  - b. Is this award renewable?
  - c. What is the dollar amount awarded per individual per year for the most recent year?



**Grants, Loans, and Scholarships: What's the Difference?**  
**Scholarships** (Educator's Version/Answer Key)

**Answer the following questions about Scholarships using the information in [www.cfnc.org](http://www.cfnc.org) . Search for the answers in the Financial Aid Planning Tab in the program.**

*Note to educators – the answer to each question AND one place that the answer is located within [www.cfnc.org](http://www.cfnc.org) are listed after each question. If students are unable to find the answer, you can prompt them to look in the appropriate location.*

1. **What is a Scholarship?** These funds are given to, or earned by, students, and are to be used for tuition. There are numerous public and private sources for scholarships. Some are given based on need, some on merit or skill. Others have very specific stipulations on who can receive the scholarship. (Financial Aid Glossary)
2. **Are scholarships based on financial need?** Scholarships are usually awarded without regard for financial need. (Financial Aid 101> Apply! Apply! Apply!> Scholarships and Grants)
3. **Who funds Scholarships?** Federal, state, local communities, college and university, and private resources. (Financial Aid 101> Apply! Apply! Apply!> Scholarships and Grants)
4. **What are Scholarship awards based on?** Each scholarship has its own application process and selection criteria. Recipients may be selected based on specific career interests, community service, heritage, special talent, or achievement in academics, athletics, and/or fine arts. (Financial Aid 101> Apply! Apply! Apply!> Scholarships and Grants)
5. **Do Scholarships need to be repaid?** No (Financial Aid 101>The Basics>What are the categories of Financial Aid)
6. **Scholarships can be merit based or need based assistance. Define these:**
  - a. **Merit-based assistance** is awarded to students with a particular skill, achievement, talent or characteristic.
  - b. **Need-based assistance** is provided to students who cannot afford college using only their own or their family's financial resources. The level of need is determined through federal, state and institutional formulas.  
(Financial Aid 101>The Basics>What are the categories of Financial Aid)
7. **Using the Find Scholarships feature, search for National Merit Scholarship. Several will be listed. Select one and answer the following questions based on your choice:**
  - a. **When is the application deadline? (answers will vary)**
  - b. **Is this award renewable?**
  - c. **What is the dollar amount awarded per individual per year for the most recent year?**



## Grants, Loans, and Scholarships: What's the Difference?

### Loans

Answer the following questions about Loans using the information in [www.cfnc.org](http://www.cfnc.org) Search for the answers in the Financial Aid Planning Tab in the program.

1. How do you apply for a loan?
2. What is the FAFSA?
3. When should you submit your FAFSA?
4. What is a Federal Stafford Loan?
5. What is the difference between a subsidized and an unsubsidized loan?
6. What is the Perkins Loan Program?
7. Do loans have to be repaid?
8. When do you have to start repaying your Stafford loans?





## Grants, Loans, and Scholarships: What's the Difference? Loans (Educator's Version/Answer Key)

Note to educators – the answer to each question AND one place that the answer is located within [www.cfnc.org](http://www.cfnc.org) are listed after each question. If students are unable to find the answer, you can prompt them to look in the appropriate location.

Answer the following questions about Loans using the information in [www.cfnc.org](http://www.cfnc.org) . Search for the answers in the Financial Aid Planning Tab in the program.

1. **How do you apply for a loan?** Fill out the FAFSA (Financial Aid 101>The Basics>How do I apply for financial aid)
2. **What is the FAFSA?** The Free Application for Federal Student Aid (FAFSA) is the key that opens the door to financial aid. It serves as the application for most of the financial aid from federal and state programs and from colleges and universities. (Financial Aid 101>Apply! Apply! Apply!>FAFSA is the KEY)
3. **When should you submit your FAFSA?** As soon after January 1<sup>st</sup> as possible. (Financial Aid 101>Apply! Apply! Apply!>FAFSA is the KEY)
4. **What is a Federal Stafford Loan?** These student financial aid loans are obtained through banks, lending institutions or colleges. To qualify, students must be enrolled in a college degree program at least part-time. The loans may be subsidized (need-based, typically for low-income students), or unsubsidized (not need-based so any student can apply). (Financial Aid Glossary)
5. **What is the difference between a subsidized and an unsubsidized loan?** A subsidized loan is awarded on the basis of financial need. You will not be charged any interest before you begin repayment or during authorized periods. An unsubsidized loan is not awarded on the basis of need. You'll be charged interest from the time the loan is disbursed until it is paid in full.
6. **What is the Perkins Loan Program?** This federally funded, need-based loan program provides low-interest loans to both undergraduate and graduate students. (Financial Aid Glossary)
7. **Do loans have to be repaid?** Yes (Financial Aid 101> Repaying Student Loans>Your Payments)
8. **When do you have to start repaying your Stafford loans?** 6 months after graduation (Financial Aid 101> Repaying Student Loans>Your Payments)

