# FINANCIAL AID PLANNING: LESSON PLAN 7

## LEARN ABOUT COLLEGE LOANS WITH THE SLOPE CALCULATOR

**Summary:**
Counting the cost before starting a project is always smart. Planning for college is no different.

<table>
<thead>
<tr>
<th>Lesson Objectives:</th>
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<tr>
<td><strong>Students will be able to:</strong></td>
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<tr>
<td>• Understand what the total cost of their students loans could be</td>
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<tr>
<td>• Understand what their monthly loan repayments may be</td>
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<td>• Understand how those payments will impact their overall future lifestyle</td>
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<table>
<thead>
<tr>
<th>Time Needed:</th>
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<tbody>
<tr>
<td>50 minutes</td>
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<table>
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<tr>
<th>Resources Needed:</th>
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<tbody>
<tr>
<td>• Access to <a href="http://RUReady.ND.gov">RUReady.ND.gov</a></td>
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<tr>
<td>• Copies of What's Your SLOPE? worksheet and/or copies of the SLOPE Calculator Activity with Sample Data worksheet</td>
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<tr>
<th>Computer Use:</th>
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<tbody>
<tr>
<td>Yes</td>
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<table>
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<tr>
<th>Grade Levels:</th>
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<tbody>
<tr>
<td>9 - 12</td>
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### ASCA Mindsets & Behaviors:

#### Mindsets:
N/A

#### Behaviors:

<table>
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<tr>
<th>Learning Strategies</th>
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<tr>
<td>1. Demonstrate critical-thinking skills to make informed decisions</td>
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<td>2. Demonstrate creativity</td>
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<tr>
<td>3. Use time-management, organizational and study skills</td>
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<tr>
<td>4. Apply self-motivation and self-direction to learning</td>
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<tr>
<td>5. Apply media and technology skills</td>
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<tr>
<td>7. Identify long- and short-term academic, career and social/emotional goals</td>
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<tr>
<td>9. Gather evidence and consider multiple perspectives to make informed decisions</td>
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<tr>
<th>Self-Management Skills</th>
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<td>3. Demonstrate ability to work independently</td>
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<td>4. Demonstrate ability to delay immediate gratification for long-term rewards</td>
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<td>5. Demonstrate perseverance to achieve long- and short-term goals</td>
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<tr>
<td>7. Demonstrate effective coping skills when faced with a problem</td>
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<tr>
<td>8. Demonstrate the ability to balance school, home and community activities</td>
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<th>Social Skills</th>
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<tbody>
<tr>
<td>1. Use effective oral and written communication skills and listening skills</td>
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<tr>
<td>3. Create relationships with adults that support success</td>
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Overview:

It’s very important for students to understand the full cost of attending any postsecondary institution. Student loans will need to be repaid after graduation. Interest will increase the total repayment amount and a monthly payment must be considered when planning a future lifestyle. The Student Loans Over Projected Earnings (SLOPE) Calculator will help your students evaluate whether or not they will be able to afford the loans that they are considering taking out.

Activity:

1. This lesson can be completed in one of three ways:
   
a. If you want students to use their own financial information to generate a SLOPE using the Student Loans Over Projected Earnings calculator, distribute the What's Your SLOPE? worksheet.

   or

b. If you want students to use sample financial data to generate a SLOPE using the Student Loans Over Projected Earnings calculator, distribute the SLOPE Calculator Activity with Sample Data worksheet.

   or

c. If you want some students to use their own financial data to generate a SLOPE, and you would like some other students to use sample financial data to generate a SLOPE, you can distribute the What's Your SLOPE? worksheet to the first group of students, and distribute the SLOPE Calculator Activity with Sample Data worksheet to the second group of students.

2. Instruct students to begin with the directions in the handout. Step One tells them to log in to RUReady.ND.gov. Step Two tells them to click on the Financial Aid Planning tab and then on Financial Aid Calculators.

3. Step Three instructs students to select the SLOPE Calculator

4. Tell students to continue following the directions on the handout entering information requested in the spaces provided.

5. Allow them ample time to complete the worksheet using RUReady.ND.gov to guide them.

Wrap Up:

1. Allow students time to complete the following reflection questions: When planning your financial budget for your future lifestyle, you have to take into account both your needs and your wants. What are some things that you want – a large house, a boat, and designer clothes? What would you be willing to compromise on to ensure your own financial fitness?

2. Facilitate a class discussion to find what the students have learned.

Follow-Up Options:

1. Student, parents and counselor will review information during financial aid planning.

2. Students can complete the activity suggested in the article Sort Out Your Values in the Financial Aid Planning tab of RUReady.ND.gov (Financial Fitness section).
What’s Your SLOPE?

Name: ___________________________________________ Date: ____________________

Part I: Signing in:

1. Sign into RUReady.ND.gov
2. Click on the Financial Aid Planning tab, and then click Financial Aid Calculators.
3. Click the Student Loans Over Projected Earnings (SLOPE) Calculator.
4. Read the information provided, then click Start the SLOPE Calculator.
5. Fill out all of the information with your current information. If you have already received your financial aid packages, take your information from there. If you have not received your financial aid packages, list loan amounts that you hope to receive based on the cost of the school that you hope to attend.

Part II: Answer the following questions about your potential loans:

1. What is your Total Loan Balance? ____________________
2. What is your Total Loan Monthly Payment? ________________
3. What is your Total Interest Paid? ________________
4. What is the total amount that you will pay if you take out these loans? ____________________
5. What is your SLOPE (remember, 8% or less is a safe SLOPE)? ____________________
6. Are you comfortable with this loan amount? ____________________

Part III: Your Future Lifestyle:

Click the Next button, and fill out all of the information on the future lifestyle page. You may need to explore a few websites or ask your teacher or counselor to suggest the average cost of some items. Once you’ve filled out this page, answer the following questions about the potential future lifestyle that you have described:

1. What is your Net Income? ____________________
2. What will your Total Fixed Expenses be? ____________________
3. What will your Total Variable Expenses be? ____________________

4. Look at your Financial Summary. After you subtract your Fixed and Variable Expenses from your Net Income, how much money remains (Total Net Income)? ____________________

5. If you do not have any money remaining (or you’re in debt at the end of the month) what could you cut out?
___________________________________________________________________________
_____________________________________________________________________________

Part IV: Reflection

1. In Your Journal on the Your Portfolio tab (or on a piece of paper), reflect on the following question: When planning your financial budget for your future lifestyle, you have to take into account both your needs and your wants. What are some things that you want – a large house, a boat, and designer clothes? What would you be willing to compromise on to ensure your own financial fitness?
SLOPE Calculator Activity with Sample Data

Name: ______________________________________________ Date: __________________

Signing in:
1. Sign into RURready.ND.gov.
2. Click on the Financial Aid Planning tab, then click Financial Aid Calculators.
3. Click the Student Loans Over Projected Earnings (SLOPE) Calculator.

Page I: Read the information provided, then click Start the SLOPE Calculator.

Page II: Indicate the following:
- That you will start college on: \((\text{enter the date mm/dd/yyyy})\)
- That you plan to graduate on: \((\text{enter the date mm/dd/yyyy})\)
- Choose Arts, Design, Entertainment, Sports and Media Occupations.
- Choose Graphic Designers as your career.
- Leave the drop down set at “No” next to, “Will you pay interest on Direct Unsubsidized Loans during school.”
- Leave all loans set at the default information.
- Click Next.

Page III: Indicate the following:
- Check off freshmen for Year 1, sophomore for Year 2, junior for Year 3, and senior for Year 4.
- Enter 3500 under Direct Subsidized Loans for all four years.
- Enter 2000 under Direct Unsubsidized Loans for all four years.
- Enter 4000 under Other/Alternative Loans.
- When entering these numbers, do not include dollar signs, commas or periods.
- Click Next.

Page IV: Answer the following questions:
- What is your total loan balance? ______________
- What is your monthly payment? ______________
- What is your total paid amount, including interest? ______________
- What is your SLOPE percentage? __________
• Are you comfortable with this SLOPE? (Check one) Yes ___ No ____
• Click Next.

Page V: Answer the following questions:
1. What is your take-home pay for your career choice? _________________
2. Enter the information into the Monthly Income tracker. What is your Net Income? _____________
3. Fill out the monthly expenses form. What is the total of your fixed expenses? _________________
4. What are your variable expenses? ______________________
5. What is your Total Net Income? ______________________
6. If you are not happy with your Total Net Income, what could you change? Take out smaller student loans? Reduce some of your expenses? Some of both? Write down what you would do:
   ____________________________________________
   ____________________________________________

Reflection: In Your Journal on the Your Portfolio tab (or on a piece of paper), reflect on the following question: When planning your financial budget for your future lifestyle, you have to take into account both your needs and your wants. What are some things that you want – a large house, a boat, and designer clothes? What would you be willing to compromise on to ensure your own financial fitness?