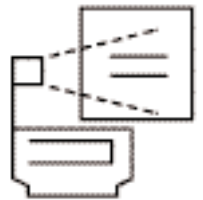


lesson fifteen

financing your education



overheads



the cost of education

what is a fixed expense?

- Expenses that should be fairly predictable and consistent each month/year - you do not really have much control over them.

fixed

- Tuition (see overhead 15-B and 15-C)
- Student Fees (varies)
- Books (new \$30-120 each, used - \$15-40)
- Basic school supplies (\$300/year)
- Rent Residence (residence with meal plan \$5090/year) OR
- Rent (varies with location, availability, if you share)
- Car Payments (\$300-500/month)
- Utilities (\$40/month)
- Insurance (\$100/month)
- Phone (\$25/month minimum)

KEY MESSAGE:

School is extremely expensive; take it seriously. It is one of the largest and most valuable investments you will ever make.

the cost of education (continued)



what is a variable expense?

- Expenses that change on a monthly basis - you have control over them, so if you need to save money, these are the expenses to look at trimming.

variable

- Groceries
- Clothing
- Gasoline
- Parking
- Laundry
- Travel
- Entertainment
- Computer and related supplies

KEY MESSAGE:

School is extremely expensive; take it seriously. It is one of the largest and most valuable investments you will ever make.



the average cost of tuition in Canada

average costs	1999-00	2000/01	
Agriculture	\$3,205	\$3,208	
Architecture	\$3,347	\$3,318	
Arts	\$3,281	\$3,378	
Commerce	\$3,125	\$3,261	
Dentistry	\$7,244	\$7,678	
Education	\$3,024	\$2,833	
Engineering	\$3,465	\$3,619	
Household Sciences	\$3,182	\$3,164	
Law	\$3,475	\$4,106	
Medicine	\$5,646	\$5,975	
Music	\$3,314	\$3,687	
Science	\$3,252	\$3,358	
Undergraduate	\$3,293	\$3,403	3.3 % Change
Graduate	\$3,522	\$4,020	14.1 % Change

Source: The Daily, Statistics Canada 8/28/2000

KEY MESSAGE:

School is extremely expensive; take it seriously. It is one of the largest and most valuable investments you will ever make.

average university undergraduate arts tuition *



province	1991/92	2001-02	% Increase
Newfoundland	\$1,544	\$2,970	92.4
Prince Edward Island	\$2,120	\$3,690	74.1
Nova Scotia	\$2,201	\$4,732	115.0
New Brunswick	\$2,021	\$3,779	87.0
Quebec	\$1,308	\$1,912	46.2
Ontario	\$1,785	\$4,062	127.6
Manitoba	\$1,735	\$2,795	61.1
Saskatchewan	\$1,812	\$3,831	111.4
Alberta	\$1,522	\$3,970	160.8
British Columbia	\$1,911	\$2,465	29.0
Canada	\$1,714	\$3,452	101.4

Source: Statistics Canada, 2001

* Average tuition fees in each province weighted by the number of students. Fees at both public and private institutions are included in the weighted average calculation.

KEY MESSAGE:

School is extremely expensive; take it seriously. It is one of the largest and most valuable investments you will ever make.



what sources of income can you get to help pay for your education:

- Personal Savings
- Family Support
- Personal Investments
- Tax Refund
- Scholarships/Bursaries
- Student Loans
- Personal Loans

KEY MESSAGE:

Investigate all sources. The best options are those that you don't have to repay. Look into those sources that you don't have to repay, then look into those you do have to repay.

scholarships/bursaries



what is a scholarship/bursary?

- Funding given to a student based on a certain set of qualifications/criteria
- Scholarships are available for first year students or returning students
- Money that does not have to be paid back

who gives them out?

- Governments
- Private Companies
- Parents' employers
- Schools
 - Academic
 - For certain programs/fields of study
 - Athletic
- Religious Groups
- Cultural Groups
- Social Groups
 - Big Brothers and Sisters of Canada
 - Junior Achievement



scholarships/bursaries (continued)

what is needed to get a scholarship?

- Keep good grades - although some scholarships are focused primarily on other qualifications, good grades are important
- Get involved in athletics or extracurricular activities in and outside of school
- Do your research
- Apply, apply, apply

where can you find out about scholarships/bursaries?

- High School Guidance Counsellor
- University/College Financial Aid Office
- Parents
- Government Web Sites/Student Assistance Numbers
- On the web - www.studentawards.com

KEY MESSAGE:

Many scholarships go unused every year...there is no harm in applying for many, so start early and apply often.

how do you apply for a student loan?



step 1 – get your application

- high school guidance counsellor
- your post-secondary institution Financial Aid office
- your provincial government web site

step 2 – fill it in

- fill out the application completely
- return it to the government student assistance office

step 3 – wait

- the process usually takes 4-6 weeks
- you will be notified of approval or denial through the mail
- if you qualify for funding, they will send you a Certificate of Eligibility



how do you apply for a student loan?

(continued)

step 4 – confirm your enrolment

- take your certificate to your post-secondary institution (Financial Aid Office)
- they will sign the document to confirm your enrolment
- if your enrolment is not confirmed, the certificate cannot be processed

step 5 – sign it

- make sure to sign the Certificate of Eligibility
- if it is not signed, it cannot be processed

step 6 – take it in

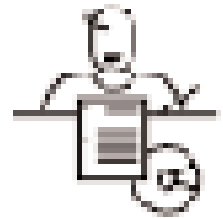
- take your Certificate of Eligibility to the service provider or financial institution that services your government's loan program
- the provincial program web site and/or information on the certificate will confirm where you need to take the document

step 7 – be patient

- the service provider or financial institution will then process your Certificate and disburse funds to you
- it usually takes approximately 48 hours to process, then an additional 1-5 days for you to receive your money

lesson fifteen

financing your education



student activities

name: _____

date: _____



the cost of education



directions

Divide into groups. Discuss the differences between fixed and variable expenses and write down a definition for each.

Identify the expenses related to attending a post-secondary institution for a year, and calculate the cost of a year of education.

Consider the difference in the cost of living in residence or off-campus and whether you will live at home or in rental housing.

1. What is a fixed expense?

2. What is a variable expense?

3. List the types and estimated amounts of expenses you can expect for a year at a selected post-secondary institution.

Fixed

Variable

name: _____

date: _____



the cost of education

estimated expenses

4. Consider the cost of tuition by selecting an institution and researching the cost.

5. Discuss these expenses in your class and make notes.

6. Go back to the type and estimated amount of expenses you have identified. Make adjustments, and then add the various expenses to find the total cost.



the cost of education answer key



directions

Divide into groups. Discuss the differences between fixed and variable expenses and write down a definition for each.

Identify the expenses related to attending a post-secondary institution for a year, and calculate the cost of a year of education.

Consider the difference in the cost of living in residence or off-campus and whether you will live at home or in rental housing.

1. What is a fixed expense?

Expenses that should be fairly predictable and consistent each month/year - you do not really have much control over them.

2. What is a variable expense?

Expenses that change on a monthly basis - you have control over them, so if you need to save money, these are the expenses to look at trimming.

3. List the types and estimated amounts of expenses you can expect for a year at a selected post-secondary institution.

Fixed	Variable
■ Tuition (see overhead 15-b and 15-c)	■ Groceries
■ Student Fees (varies)	■ Clothing
■ Books (new \$30-120 each, used - \$15-40)	■ Gasoline
■ Basic school supplies (\$300/year)	■ Parking
■ Residence (residence with meal plan \$5090/year) OR	■ Laundry
■ Rent (varies with location, availability, if you share)	■ Travel
■ Car Payments (\$300-500/month)	■ Entertainment
■ Utilities (\$40/month)	■ Computer and related supplies
■ Insurance (\$100/month)	
■ Phone (\$25/month minimum)	

the cost of education answer key



estimated expenses

4. Consider the cost of tuition by selecting an institution and researching the cost.

Will vary depending on institution and area of study

5. Discuss these expenses in your class and make notes.

Will vary depending on variety and combination of expenses incurred.

name: _____

date: _____



financing options



directions

Divide into groups. Discuss how to finance your education (each group should come up with 5 sources of income). Then as a large group, discuss the answers and suggest other ideas.

what sources of income can you get to help pay for your education?

■

■

■

■

■

■

■



directions

Divide into groups. Discuss how to finance your education (each group should come up with 5 sources of income). Then as a large group, discuss the answers and suggest other ideas.

what sources of income can you get to help pay for your education?

- *Personal Savings*

- *Family Support*

- *Personal Investments*

- *Tax Refund*

- *Scholarship/Bursaries*

- *Student Loans*

- *Personal Loans*

name: _____

date: _____



how do you apply for a student loan?



directions

Divide into groups. Discuss the steps you need to follow in the process for applying for a student loan. Then as a large group, discuss the answers and suggest other ideas.

step 1 -

step 2 -

step 3 -

step 4 -

step 5 -

step 6 -

step 7 -

how do you apply for a student loan? answer key



directions

Divide into groups. Discuss the steps you need to follow in the process for applying for a student loan. Then as a large group, discuss the answers and suggest other ideas.

step 1 – get your application

- *high school guidance counsellor*
- *your post-secondary institution Financial Aid office*
- *your provincial government web sites*

step 2 – fill it in

- *fill out the application completely*
- *return it to the government student assistance office*

step 3 – wait

- *the process usually takes 4-6 weeks*
- *you will be notified of approval or denial through the mail*
- *if you qualify for funding, they will send you a Certificate of Eligibility*

step 4 – confirm your enrolment

- *take your certificate to your post-secondary institution (Financial Aid Office)*
- *they will sign the document to confirm your enrolment.*
- *if your enrolment is not confirmed, the certificate cannot be processed*

step 5 – sign it

- *make sure to sign the Certificate of Eligibility*
- *if it is not signed, it cannot be processed*

step 6 – take it in

- *take your Certificate of Eligibility to the service provider or financial institution that services your government's loan program*
- *the provincial program web site and/or information on the certificate will confirm where you need to take the document*

step 7 – be patient

- *the service provider or financial institution will then process your Certificate and disburse funds to you*
- *it usually takes approximately 48 hours to process, then an additional 1-5 days for you to receive your money*

name: _____

date: _____



the cost of borrowing

Average debt load for graduating students (4-year program) in 1999:

How much do you think? Choose one:

- A. \$ 5,000 _____
- B. \$10,000 _____
- C. \$25,000 _____
- D. \$40,000 _____

Use "the cost of loan calculator" on the Choices & Decisions CD-ROM.

- use 10% interest
- use 10, 9, 8, 7 or 6 year terms
- calculate monthly payments, total interest paid and the total cost of the loan.

\$ _____ principal amount.

Mthly Pmt	#Payments	Interest paid	Principal plus Interest
_____	120 (ten years)	_____	_____
_____	108 (nine years)	_____	_____
_____	96 (eight years)	_____	_____
_____	84 (seven years)	_____	_____
_____	72 (six years)	_____	_____

Note: you can also vary the interest rate and calculate the total cost using a higher or lower rate.

the cost of borrowing answer key



Average debt load for graduating students (4-year program) in 1999:

How much do you think? Choose one:

- A. \$ 5,000 _____
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- C. \$25,000 ✓
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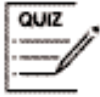
\$ 25,000 principal amount.

Mthly Pmt	#Payments	Interest paid	Principal plus Interest
\$330	120 (ten years)	\$14,645	\$39,645
\$351	108 (nine years)	\$13,012	\$38,012
\$379	96 (eight years)	\$11,418	\$36,418
\$463	84 (seven years)	\$9,862	\$34,862
\$415	72 (six years)	\$8,346	\$33,346

Note: you can also vary the interest rate and calculate the total cost using a higher or lower rate.

name: _____

date: _____

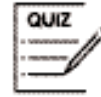


lesson fifteen quiz : government student loan

true-false

1. ____ Students apply to their provincial government for funding.
2. ____ All government programs, rules and regulations are the same.
3. ____ Governments issue standard amounts of funding.
4. ____ Student loans don't need to be paid back.
5. ____ Student loans affect your credit rating.
6. ____ You can begin repaying, or completely pay out, your loan at anytime.
7. ____ Interest begins building on your loans as soon as your studies end.

lesson fifteen quiz: government student loan



answer key

true-false

1. T Students apply to their provincial government for funding.
2. F All government programs, rules and regulations are the same.
3. F Governments issue standard amounts of funding.
4. F Student loans don't need to be paid back.
5. T Student loans affect your credit rating.
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