

Learning objectives

1. Describe what a student loan is and why people choose to take a student loan out
2. Explain how an individual would pay back a student loan in the future
3. Identify the steps needed to apply for a student finance application

Resources needed for the lesson [worksheets, print-outs etc]

- Resource 1: Preparing to Apply for Student Finance Worksheet
- Tablet computers

Activity	Description	Timing
LO 1 Describe what a student loan is and why people choose to take a student loan out		
Starter - Benefits and Drawbacks of University	In this task students identify the immediate and long-term benefits and drawbacks of going to university. The aim here is for them to identify the cost as a short-term drawback, and the increased earnings potential as a long-term gain. By doing this, the teacher can then develop an understanding that student loans help to bridge this gap, meaning people who may otherwise have avoided higher education due to the cost, don't immediately feel the cost burden and can gain from greater earnings later in life	5 mins
Cultural considerations	Emphasise that money is a sensitive topic. Particularly in the context of borrowing we need to be considerate to some cultures where borrowing does not align to their values	2 mins
True or false?	Two questions to form a baseline assessment and address misconceptions around student finance	3 mins
Understanding Higher Education Finances	Students will look at the two main reasons for taking out student loans; tuition fees and living expenses. With tuition fees, the slide presents information on how these differ across countries, and helps to explain why tuition fees are high in the UK compared to other OECD countries. The section on living expenses asks the students to suggest what the average monthly cost is that students face for different spending categories. As a class then walk through key points about a maintenance loan.	5 mins
LO 2 Describe what a student loan is and why people choose to take a student loan out		
Repaying Student Loans	Play video on how student loan repayments work. Students should draw out the three most important points from the video, but be wary not to focus on figures as they refer to Plan 2 student loans, whereas they'll be on Plan 5 when they go to university	5 mins
Implications of student loans on future finances	Walk through slides 18-20 to demystify key elements of a student loan: (1) student loan repayments are based on earnings, not the size of debt (2) Debt is added to the loan so it grows over time (3) If someone is not earning, they do not contribute to their student loan and student loans don't affect credit scores	3 mins

Optional - Maths moment Repayment examples	Students go through a worked example and then answer multiple-choice questions calculating how much of a student loan is paid per year, for people on different incomes. This activity highlights that lower earners are unlikely to ever pay back the loan, and higher earners are likely to pay back the full amount. The stretch activity highlights the fact that higher earners are likely to be completely free of their student loans many years before the date that they are written off.	10 mins
Reflection	Students take a couple of minutes to reflect on their learning, using Dan as a case study.	2 mins
LO 3 Identify the steps needed to apply for a student finance application		
Preparing for a Student Finance Application	Students use the resource, following the steps to identify eligible courses, the amount of loan they are entitled to, and any other means of support available to them. If they don't have access to the internet, the slides with screenshots may be used instead or as a worked example.	(10 mins)
Application Tips	Video on tips on the application process. Students have three questions in relation to this to ensure they have understood the main messages.	5 mins
True or false?	Three true or false questions are asked at the end of the lesson to assess learning.	5 mins