



# Secrets to Success

EPISODE #210

## ACTIVITIES & LESSONS

### LESSON LEVEL

Grades 9-12

### KEY TOPICS

- Saving
- Financial Aid
- Scholarships

### TIME NEEDED

Preview & Screening:  
45 minutes

Activity #1:  
45-60 minutes

Activity #2:  
60-90 minutes

### EPISODE SYNOPSIS

The secret to success is actually simple – it's all about staying in school and building the best toolbox for your future that you can. Learn about the many ways to pay for your education and the importance of life-long learning.

### LEARNING OBJECTIVES

1. Understand the economics of staying in school.
2. Research ways to pay for higher education (college/trade school).
3. Recognize how life-long learning adds skills to your toolkit.

### EPISODE ENTREPRENEURS & STORIES

- *ALMAS*: Mentoring Latinas; striving for higher education
- *CircEsteem Performer*: Working and saving for college
- *Piano Player*: Starting early, using college saving accounts
- *Scholarship Winner*: Researching college scholarships
- *Technical College*: Refining trade skills to stay ahead

### CONTENTS

- Lesson Prep & Supplies
- Preview/Screening Notes
- Activity #1
- Activity #2
- Biz Terms Vocabulary
- Resources



# LESSON PREP & SUPPLIES

## Getting Started

1. Familiarize yourself with *Biz Kid\$* Episode #210 by watching it ahead of time. The episode will serve as a springboard for student learning, discussions, vocabulary exploration, and related hands-on activities.
2. Determine what equipment is required to show the episode in the classroom and request it if needed.
3. Choose an activity and gather supplies. Have fun exploring “Secrets to Success.”

### Equipment & Supplies for Preview/Screening

Time Needed:  
45 minutes

Arrange to borrow a TV/DVD player if one is not readily available. Or, if you have a computer, Internet access, and a projection system, the episode can be streamed online at [www.bizkids.com/ey](http://www.bizkids.com/ey). You will need to enter the password of “ey.”

#### *Items needed for class:*

- TV/DVD Player or Computer/Internet Set-Up
- DVD of Episode #210
- A Tassel

(NOTE: If EY Volunteers do not have a tassel from personal academic graduation ceremonies, tassels may be purchased at some party supply stores, or online at:  
<http://www.graduationsource.com/>  
<http://www.tasseldepot.com/>  
<http://www.graduationoutlet.com/>)

### Supplies for Activity #1: Three Key College Questions

Time Needed:  
45-60 minutes

#### *Items needed for class (each group):*

- Print one nominee form for each group from Gates Millennium Scholars Scholarship program, at:  
[https://nominations.gmsp.org/GMSP\\_APP/docs/NomineeForms.pdf](https://nominations.gmsp.org/GMSP_APP/docs/NomineeForms.pdf)

#### *Items needed for each student:*

- Pencil
- Photocopy of worksheet/instructions (pages 5-6)

### Supplies for Activity #2: Fabulous 529

Time Needed:  
60-90 minutes

#### *Items needed for class:*

- Computer/Internet Access
- Java Plug-In
- Free Java Download:  
<http://www.java.com/en/download/>

#### *Items needed for each student:*

- Pencil
- Photocopy of worksheet/instructions (pages 8-12)



# PREVIEW & SCREENING

## Introduction

Welcome the students and introduce yourself. Briefly explain what Ernst & Young does and describe your job. Explain that *Biz Kid\$* is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money.

## Did You Know?

At the beginning of a graduation ceremony, students traditionally wear tassels on the right side of their mortarboard caps before diplomas are officially granted. After graduation, students move their tassels from the right to the left side of the mortarboard cap. This symbolic gesture (usually done in unison by a graduating class) demonstrates final completion of an academic program and the earning of a degree.

## Episode Preview Activity

Before you show *Biz Kid\$* episode #210, “Secrets to Success,” lead your students in a discussion using a tassel as a conversation starter and the questions below.

Holding the tassel to get the kids’ attention, ask the following questions:

- What am I holding?
- How does a person typically get a tassel like this? (i.e. graduating from high school or college)
- What can this tassel represent to the following people:
  - + A recent graduate?
  - + A student’s family?
  - + A potential employer?
- What kinds of sacrifices must be made in order for someone to earn a tassel?
- In your opinion, are these kinds of sacrifices worth it? Why or why not?

## About the Episode

In this episode, you’ll learn how furthering your education can directly impact your future earning potential. Although it may be difficult to imagine right now, the benefits of higher education far outweigh the sacrifices. A diploma shows potential employers that you’re disciplined, able to commit to a big plan, and capable of completing a significant task.

## Next Steps

Summarize the discussion and play the *Biz Kid\$* episode.



## Activity #1:

# THREE KEY COLLEGE QUESTIONS

### Activity Learning Objectives

- Consider possible post-secondary courses of academic study.
- Learn the importance of planning to meet the financial demands of higher education.
- Weigh the options of going to college close to home vs. attending college out of state.

### Supplies

*Items needed for class (each group):*

- Print one nominee form for each group from Gates Millennium Scholars Scholarship program, at: [https://nominations.gmsp.org/GMSP\\_APP/docs/NomineeForms.pdf](https://nominations.gmsp.org/GMSP_APP/docs/NomineeForms.pdf)

*Items needed for each student:*

- Pencil
- Photocopy of worksheet/instructions (pages 5-6)

### About the Segment: Scholarship Winner

Latreal, a determined student, learned an important lesson when it comes to applying for scholarships — it's all about perseverance! His post-secondary coach, Kelli, helped guide Latreal in his search. After spending hours finding and applying for scholarships, Latreal received three out of twelve scholarships. Latreal was named a recipient of the Gates Millennium Scholarship because he concentrated on his academics and was heavily involved in extracurricular activities. This scholarship will even cover expenses incurred while studying abroad, as he works his way toward earning his Ph.D.

### Biz Terms

- Post-secondary education
- Ph.D.
- Scholarship
- Studying abroad

### Biz Terms & Segment Review

1. What kind of extracurricular activities did Latreal participate in during high school?
2. As his post-secondary coach, what was Kelli's area of expertise?
3. What is a scholarship? How do you earn one?
4. How is studying abroad different than choosing to attend a college, university, technical college, or trade school located within the continental United States? What might be some of the advantages to studying abroad?
5. For a high school graduate, receiving a diploma is the highest possible accomplishment. What does receiving a Ph.D. symbolize for a college student?



# THREE KEY COLLEGE QUESTIONS

## INSTRUCTIONS FOR STUDENTS

### Introduction

Latreal's advisor Kelli poses three key questions to every high school student considering the pursuit of higher education. Whether you are thinking about pursuing education at a college, technical school, or trade school, planning ahead can be the crucial element to help you successfully obtain your diploma. Now it's your turn to think carefully about your answers to Kelli's three key college questions!

### Directions — Part One

In your small group, discuss each question before committing your thoughts and plans down on paper.

1. Where Do You Want to Go?

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2. What Do You Want to Study Further?

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3. How Will You Pay For College?

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### Did You Know?

According to the U.S. Census Bureau, a male who completes college earns 77% more than a male with only a high school diploma. Female college graduates earn 86% more than females with only a high school diploma.

# THREE KEY COLLEGE QUESTIONS

## Directions — Part Two

Latreal worked closely with Kelli to research and find college scholarships specifically tailored to his academic and extracurricular strengths. Applying for scholarships can be highly competitive and time consuming, but it can be worthwhile in the long run. Review the information required on the Gates Millennium Scholars Scholarship Application. Although requirements and forms will be different, most organizations have a formal application process.

As a group, flip through the pages of the “Nominee Form” together in order to get a basic feel for the kind of information required. Then, consider and discuss the following points:

1. For this application, students must identify their intended major in college, and list their first choice college or university.
  - Are you sure enough about your answers in Part One that you could complete Section 11B and Section 11C? If not, what resources could you use to become more confident in your decision?
2. Note that applicants must include their GPA as well information about “Honors and Awards,” “Unpaid Volunteer Work and Community Service,” and “Leadership Roles.”
  - If you were actually applying for this scholarship, are you able to fill in these sections?
  - What kinds of things could you list in these sections to improve your competitiveness?
  - If you find that you are lacking in these areas, what steps can you take now to diversify your high school and community-based participation?
  - Why do you think the Bill & Melinda Gates Foundation requires applicants to provide more than just academic grades and scores?
3. Note that Questions 19 – 26 require the applicant to respond with written answers (in essay form).
  - Discuss how your small group would answer each essay question.
  - Why do you think the Bill & Melinda Gates Foundation requires applicants to submit writing samples?
  - Are you confident in your personal writing ability? If not, what steps could you take to brush up on your writing skills so that you feel confident and prepared to tackle scholarship questions?

**You Can  
Make  
It Happen!**

**TIP**

As Latreal said in the episode:

*“Hey Biz Kid...  
I got three scholarships...  
and YOU can do it, too!”*



# THREE KEY COLLEGE QUESTIONS

## Activity Wrap-Up

Thank the students for their participation, and encourage them to take their pre-planning one step further by conducting some additional college and scholarship program research.

Remind them that school guidance counselors can be excellent resources for career and college planning information.



## Activity #2:

# FABULOUS 529

### Activity Learning Objectives

- Evaluate the differences between 529 Plans.
- Learn how to use online calculators to determine how much money to save for college.
- Understand the importance of saving early for college.

### Supplies

*Items needed for class:*

- Computer and Internet access
- Java Plug-In
- Free Java Download:  
<http://www.java.com/en/download/>

*Items needed for each student:*

- Pencil
- Photocopy of worksheet/  
instructions (pages 8-12)

### About the Segment:

#### A Closer Look at 529 Plans

Claire is on the right track — she knows that it's important to save for college. However, keeping spare change and small bills in a glass jar isn't the best solution. To help her, Austin explains the benefits of investing in a tax-free 529 Prepaid Tuition Plan and Christina points out the benefits of investing in a 529 Savings Plan, which generally includes mutual funds. Austin also describes how moving funds from a savings account to a certificate of deposit (CD) can increase potential earnings because of higher interest rates.

### Biz Terms

- 529 Plan (529 Prepaid Tuition Plan and 529 Savings Plan)
- Certificate of Deposit (CD)
- Mutual funds
- Tax-free

### Biz Terms & Segment Review

1. What is a "529 Plan?" (*a tax-free savings plan for people who want to start saving for college early*)
2. What are some of the benefits of investing in a 529 Prepaid Tuition Plan? (*you can start paying for college at today's rates*)
3. As explained by Christina, what are some of the benefits of investing in a 529 Savings Plan?
4. With 529 Plans, money that's invested is considered to be tax-free. What does this mean to the average investor?
5. With a 529 Savings Plan, money contributed can be invested in a mutual fund. What is a mutual fund and how does it work?
6. How are certificates of deposit different than traditional savings accounts?



# FABULOUS 529

## INSTRUCTIONS FOR STUDENTS

### Introduction

When planning for college, one of the most important things to consider is how you're going to pay for it.

Claire began saving for college in advance because she knew that college could be expensive. However, as Austin explained, Claire will need a lot more than pocket change to cover her college expenses.

With time on her side, Claire begins to realize that investing in a 529 Plan makes a lot of sense. But which 529 Plan is the best choice? With this activity, you're going to learn about the different options.

### Directions — Part One

In order to get a better understanding of how the two different 529 Plans compare, visit the US Securities and Exchange Commission website at: <http://www.sec.gov/investor/pubs/intro529.htm>. After reading "Introduction to 529 Plans," answer these questions.

1. What are the two types of 529 Plans that are available?  
\_\_\_\_\_
2. What is the alternate terminology used to refer to the "college saver" who establishes an account for a student?  
\_\_\_\_\_
3. What is the terminology used for the student?  
\_\_\_\_\_
4. With 529 Savings Plans, what are some of the "account holder's" investment options?
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
5. What is a risk associated with investing in 529 Savings Plans that invest in mutual funds?  
\_\_\_\_\_
6. In considering the Prepaid Tuition Plan, why could it be beneficial to "lock in" tuition prices at eligible public and private institutions?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. When considering the 529 Savings Plan, how can "market risk" affect your investment?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# FABULOUS 529

8. Most 529 Prepaid Tuition plans have age/grade limits for beneficiaries while 529 Savings Plans do not. Which plan could potentially be the better choice if an “account holder” decides to start saving early for a student’s education?

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9. How can investing in a 529 Plan afford “college savers” special tax benefits?

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10. What happens if a “college saver” withdraws money from a 529 Plan and does NOT use this money on eligible college expenses?

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11. What kinds of fees are generally associated with 529 Prepaid Tuition Plans?

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12. What kinds of fees are generally associated with 529 Savings Plans?

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13. 529 Savings Plans purchased from a broker are typically subject to additional fees. What does a “broker” do? How does this individual benefit from a “load?”

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14. What restrictions apply to an investment in a 529 Plan?

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15. How can investing in a 529 Plan impact a student’s financial aid eligibility?

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16. Why is this important to consider BEFORE investing in a 529 Plan?

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# FABULOUS 529

## Directions — Part Two

Access the *Wall Street Journal's* SmartMoney 529 Online Calculator and use the scenarios below and on the next page to determine how much money you need to save to go to college.

<http://www.smartmoney.com/personal-finance/college-planning/How-Much-Should-You-Save-9648/>

### Scenario One

You are an only child and your parents started investing in a 529 Plan during your freshman year of high school.

<i>529 Calculator Category</i>	<i>Information to Enter</i>
<b>YOUR FAMILY</b>	
How many children?	1
College Cost Inflation	7%
529 Rate of Return	4%
Years Until Child Enters College	4
Type of College	Public
Number of Years in College	4
<b>WHERE ARE YOU NOW?</b>	
Amount Saved Now	0
Gifts	0

1. What is the “Estimated Cost” to go to college? \_\_\_\_\_
2. How much will need to be saved for the next four years to be able to pay for the “Estimated Costs?” \_\_\_\_\_
3. What happens to the “Estimated Cost” when you change the “Type of College” to “Private?” \_\_\_\_\_



# FABULOUS 529

## Scenario Two

You are an only child and your parents started investing in a 529 Plan the year that you were born.

<i>529 Calculator Category</i>	<i>Information to Enter</i>
<b>YOUR FAMILY</b>	
How many children?	1
College Cost Inflation	7%
529 Rate of Return	4%
Years Until Child Enters College	18
Type of College	Public
Number of Years in College	4
<b>WHERE ARE YOU NOW?</b>	
Amount Saved Now	0
Gifts	0

1. What is the “Estimated Cost” to go to college? \_\_\_\_\_
2. How much will need to be saved for the next 18 years to be able to pay for the “Estimated Costs?” \_\_\_\_\_
3. What is the benefit for your parents/guardians to start saving for college expenses when you are a baby instead of thinking about college expenses by the time you enter high school? \_\_\_\_\_



# FABULOUS 529

## Activity Wrap-Up

Thank the students for their participation, and remind them that when considering investing in a 529 Plan, it will pay to think carefully about the pros and cons associated with each individual plan.

When paying for college, starting early is the key! Reinforce the fact that for younger students, time is on their side.

A 529 Plan is a great way for parents, guardians, friends, and relatives to contribute to a student's account. This can be helpful to those who want to give money to a student in a tax-friendly manner.



# BIZ TERMS VOCABULARY

- **Post-secondary education:** refers to the stage of learning that takes place after the completion of high school (i.e. universities, colleges, technology institutes, vocational schools, trade schools, etc.)
- **Ph.D.:** abbreviation for the “Doctor of Philosophy” degree, also known as a doctorate, which is the highest degree awarded by a graduate school (usually to an individual who has completed at least three years of study as well as written and defended a dissertation approved by a board of professors)
- **Scholarship:** money given by an organization, a business, or an academic institution to a student to help pay for further education
- **Studying abroad:** pursuing educational opportunities in a country other than the United States
- **529 Plan:** financial program also known as a “qualified tuition program” that enables families to save money tax-free or to prepay qualified higher education expenses (Prepaid Tuition & Savings Plans are state-sponsored and only available in participating states.)
- **529 Prepaid Tuition Plan:** With this version of 529 Plan, an account holder purchases tuition credits at the current price even though the credits will not be used until the future when costs may be higher
- **529 Savings Plan:** an account holder establishes a college savings account for a beneficiary and later uses the money to pay for qualified college-related expenses such as tuition, room and board, school fees, required books, computers, etc. (Through this plan, funds may be invested in mutual funds, bonds, or money market funds and earnings are not subject to federal tax as long as the money is used only for qualified college-related expenses.)
- **Certificate of Deposit (CD):** a savings certificate with a set maturity date and a fixed interest rate (entitling the bearer to earn interest) that can be issued in any denomination
- **Mutual fund:** a professionally-managed investment that includes a pool of funds collected from many investors with the goal of producing capital gains and income for the fund’s investors
- **Tax-free:** a term used to describe a financial product (such as a 529 Plan), where the income earned is not taxed



# RESOURCES

**BrainTrack (Universities, Colleges, & Careers)**

<http://www.braintrack.com/>

**Choose Your Future Website**

<http://chooseyourfuture.org/>

**CNN Money: Paying for College**

<http://money.cnn.com/pf/college/>

**CollegeBoard Website**

<http://www.collegeboard.org/>

**EconEdLink lesson “You’re Going to College” Lesson Plan**

<http://www.econedlink.org/lessons/index.php?lid=789&type=student>

**Fastweb Website**

<http://www.fastweb.com/>

**Free Application for Federal Student Aid**

<http://www.fafsa.ed.gov/>

**Scholarships.com Website**

<http://www.scholarships.com/>

**United States Department of Education Student Aid Portal**

<http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>

**U.S. Securities and Exchange Commission: An Introduction to 529 Plans**

<http://www.sec.gov/investor/pubs/intro529.htm>

**Youth Venture Team Spotlight: ALMAS**

<http://www.genv.net/en-us/team/almas>

**The Wall Street Journal SmartMoney Website**

<http://www.smartmoney.com/plan/college/>



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