

Financial Literacy Services

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Office of Student Financial Aid THE UNIVERSITY OF IOWA

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Financial Literacy Services

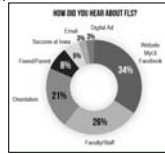
- Began in 2012-13 with two graduate assistantships
 - Required private loan counseling for 1st year students only
 - General advising for only undergraduates
- Expanded to two full-time staff in 2014-15
 - Created branding and mission statement
 - Private loan counseling expanded to all students (grad and undergrad)
 - General advising available to all students
 - Presentations with various campus partners
- Added third full-time staff member in 2016
- Combined with general financial aid advising in 2018
 - In 2019-20 will have 8 financial aid advisors

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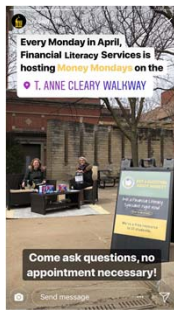
In 2017-18...

- ➔ 67 presentations to 1,238 students
- ➔ Collaborated with 21 campus partners
- ➔ 1,700 private loan counseling meetings
 - 9% average loan reduction
 - Of those who reduce their loans – 40% average reduction
 - In 2017-18 students reduced their loans by \$1.8 million
- ➔ 700+ general meetings
 - Understanding/Planning Aid
 - Loan repayment
 - Paying Ubill
 - FAFSA Assistance
 - Budgeting



How do students hear about us?

- ➔ Orientation presence
- ➔ Success at Iowa
- ➔ SWAG
- ➔ Campus referrals!



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- ➔ Set up appointment through MyUI
 - Advising Appointment
 - Office of Student Financial Aid
- ➔ Same way you make an appointment with your academic advisor

Spending Leaks - Loans

- ➔ Starbucks grande latte 3x each week
 - \$51.00
 - $\$51.00 \times .045 = \2.30 per year $\times 10$ years = \$74.00
- ➔ Lunch downtown 2x each week:
 - \$64.00
 - \$92.80
- ➔ Parking in ramp 2x each week:
 - \$56.00
 - \$81.20
- ➔ TOTAL SPENDING LEAKS: \$171.00
- ➔ TOTAL COST IF PURCHASED WITH LOANS: \$248.00

Over 4 years of school...
\$6,840 without loans...
\$9,920 with loans

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Loan Counseling

ESTIMATED BORROWING					
	2017-18	2018-19	2019-20	2020-21	Total Borrowed
Subsidized Loan	\$3,500	\$4,500	\$5,500	\$5,500	\$19,000
Unsubsidized Loan	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
Total/year	\$5,500	\$6,500	\$7,500	\$7,500	\$27,000

SUBSIDIZED AND UNSUBSIDIZED LOAN REPAYMENT ESTIMATES				
Assumes a 4.5% average interest rate, \$30,000 starting salary				
Repayment Plan	Months	Payment	Total Paid	Forgiven
Standard	120	\$280	\$33,799	
Graduated	120	\$57,472	\$35,243	
Revised Pay As You Earn (REPAYE)	211	99,348	\$42,470	
Pay As You Earn (PAYE)	236	99,385	\$42,581	
Income Based Repayment (IBR)	160	149,280	\$37,207	
Income Contingent	198	175,216	\$38,795	

WILL YOUR LOAN PAYMENTS BE MANAGEABLE?		
Estimated Monthly Income	Percentage of income on Standard plan:	17%
\$1,676.00	Percentage of income on PAYE plan:	6%

*A good rule of thumb: keep loan payments at 10% or less of your monthly pay

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Loan Repayment

- ➔ Making payments while in school
- ➔ Planning for graduate school
- ➔ Repayment strategies
 - Repayment goals
 - Repayment plans
 - Loan forgiveness
- ➔ Can meet with former students to discuss repayment

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Default Prevention

- ➔ Outreach to students who have a past due short term loan
- ➔ Outreach to former UI students who have become delinquent on federal loans

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What do students say?

- ➔ “[I learned] about each of my loans and how to utilize them in the best way possible, while also understanding about my U-bill”
- ➔ “She was able to answer all my questions regarding loan repayment, and even had some suggestions I hadn’t thought of. She was also kind and nonjudgmental.”
- ➔ “She took her time to walk through all of my questions and gave me some great resources and understanding!”

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Questions?

- 📍 208 Calvin Hall
- ☎ 319-335-2005
- ➔ Financialaid.uiowa.edu
- ✉ Financial-aid@uiowa.edu

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