

Your Family's Guide to Talking About College Finances

Let's talk about money! It's time to begin the conversation between students and parent(s) on how you will pay for college.

Welcome to the Cyclone Family

You are getting ready to embark on your Cyclone adventure! This time is full of excitement and a few nerves. We know that college is an investment and want to help students be prepared to make the most of their time at Iowa State. Now is the time to develop your financial plan and discuss what resources your family will use to pay your expenses. Having your financial plan developed before arriving on campus can help minimize stress for everyone when school starts.

Students: this will be your first big opportunity to take the reigns of your finances and financial future. Even if paying for college and using financial aid may feel overwhelming, we encourage you to be actively involved in paying for and/or securing financial aid to pay your expenses.

Parents: take this opportunity to educate your student on personal finance. We encourage you to involve your student in the planning and securing aid to pay their bill.

When in doubt, ask the Office of Student Financial Aid: we're here to help!

How Do We Know How Much We Need? (Estimated COA explained)

Your costs for college are more than just tuition and fees. Your estimated Cost of Attendance (COA) should include everything you would need for one year at Iowa State. You will need to make sure you have money available to pay for items like room, meals, books and daily items like laundry. Full-time tuition, fees, standard double person room, Cyclone meal plan and an average for books and personal expenses were used to create your COA.

The COA is an estimate and your actual costs may differ depending on your major, your living arrangements and personal spending habits. The information entered on your Free Application for Federal Student Aid (FAFSA) determines the types and amounts of financial aid you are eligible to receive. Your Financial Aid Offer includes enough financial aid options, through a combination of grants, scholarships, work and loans to cover your COA. You may not need all of the financial aid offered to you; it will be your responsibility to figure out how much of your financial aid you might need each year.

The calculation on the right side of your Financial Aid Offer should help you estimate what you will still need to cover after grants, scholarships and federal student loans.

What Are Our Options?

You have a variety of options available to pay for college and it's important your family finds a combination of resources that works best for you. Families can use any combination of financial aid (including grants, scholarships, employment and loans), university monthly payment plans, 529 College Savings, personal savings, or additional loans. Information on university monthly payment plans can be found at <https://ubill.iastate.edu/students/mpp>.

Make sure you file a FAFSA at <https://fafsa.gov> each year by December 1 to maximize your financial aid eligibility. If you file after December 1, you will only be considered for federal student loans and possibly a Federal Pell Grant.

The important thing when discussing your options as a family, is to make sure you are comfortable with options you have selected!

College is a multi-year commitment; make sure you also think about your overall cost, not just the first year. It's hard to know what costs and financial aid options will be in future years, but you can estimate the costs now for a general idea of your expected total cost.

Estimate of What I Will Owe This Year
Estimated COA from Award Offer
- Grants & Scholarships
= Net Cost After Gift Aid
- Federal Student Loans
= Estimate of What You Will Owe After Grant Aid & Federal Student Loans

Estimated Overall Cost
Estimate of What You Will Owe After Grant Aid & Federal Student Loans from Award Offer
X 4 years or 5 years
= Estimated Overall Cost

Estimated Overall Federal Loan Debt	
Calculation	Example Calculation
Federal Student Loan Amount Shown on Financial Aid Offer	\$5,500
X 4 years or 5 years	X 4 years
= Estimated Federal Student Loan Debt at Graduation (does not include interest)	= \$22,000

Additional Loan Options Explained

A Direct Subsidized Loan will not accrue interest while a student is enrolled. The Direct Unsubsidized Loan which will accrue interest while a student is enrolled. Additional loan options listed are not guaranteed and will accrue interest while a student is enrolled. Additional loan options include a Federal Parent PLUS Loan and/or non-federal private student loan. Both options require that the borrower pass a credit check. A co-signer, with acceptable credit, would likely be required if a borrower cannot qualify for additional loans on their own. *If your parent has adverse credit or you are unable to find another credit-worthy co-signer, you may find it difficult to pay your university bill. If this is a concern for your family, we recommend discussing alternative options to pay your costs.* Details on the Federal Parent PLUS Loan or non-federal private loans can found at <https://financialaid.iastate.edu/loans>.

Can I Handle a Job While I'm in College?

Most students can manage to work a few hours while also going to class. Students who work while enrolled typically work an average of 10-15 hours per week. In addition to earning money, part-time employment offers other benefits, including learning time management skills, feeling connected to campus, and increasing your career-readiness by building your resume. You will also learn skills you might not learn in the classroom like working effectively with others and how to communicate professionally. On top of that, you earn money you don't have to repay. Many students will choose to work and use their earnings to pay for daily expenses like doing laundry, purchasing personal hygiene items or filling their cars with gas. All students are encouraged to work, and the Student Job Board on AccessPlus is a great place to search for job opportunities.

Work-Study eligibility is a form of employment and contingent upon securing a job. Payroll is processed twice per month. Earnings are paid directly to the student and will not apply to the student's university bill.

Are There Other Costs We Should Consider?

There are opportunities for you to spend money around every corner. The next few years are your chance to develop strong financial decision making skills. **A few items to consider:**

- **Are you going to bring a car to campus?** You will have access to CyRide to get around campus and Ames. If you decide to bring a car, consider the cost of a parking permit, and the cost for gas and maintenance.
- **Are you going to buy tickets for sports or cultural events?** Cyclone sports and cultural events are always a fun adventure but the cost of tickets can easily be overlooked. Make sure you budget for the costs of fun activities like these.
- **CyCash:** For clean clothes, you'll need to make sure you purchase CyCash, money you can add right to your ISU ID card. CyCash can be used all over campus in cafes and printing in the computer labs. You will also need CyCash for laundry machines in the residence halls. You can find more information on CyCash at <https://isucard.iastate.edu/cycash>.

Final Thoughts

College is truly an investment in your future self, so if you make a plan, you don't need to spend decades paying for it. As you create and discuss your financial plan as a family, consider these things:

- What will each family members' role be in paying for college?
- If you borrow loans, find the loans that work best for you. There are federal student loans, federal parent loans and private student loans. All options can be found at <https://financialaid.iastate.edu/loans>.
- If you are borrowing loans, also consider the average starting salary for your major. A good rule of thumb is that your expected borrowing should not be more than your expected starting salary. Each college has average salary information available on-line.
- Make sure you are aware of deadlines. The FAFSA is available every October 1 and ISU has an annual priority deadline of December 1. Submit your FAFSA by December 1 for maximum financial aid consideration. File your FAFSA after December 1 for consideration in the Federal Pell Grant and loan programs only. OneApp scholarship application is also available in the fall. Check out <https://financialaid.iastate.edu/scholarships> for deadlines specific to your major.
- Your mandatory fees provide you access to services you can use throughout the year. Services like CyRide, Cyclone Cinema, Lied Rec Center and more are available for you to use throughout the year.
- Don't be afraid to ask questions. If you are unsure of the details of your financial aid options, ask the Financial Aid Office. If you need help budgeting or planning, ask the Student Loan Education Office. Staff in the Office of Student Financial Aid and Student Loan Education Office are ready to help you navigate the financial investment and adventure that is paying for college!

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