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By: Addie Knight

With constant headlines on television and newspapers telling viewers about the latest round of job cuts, bailouts and stimulus plans, the "recession" track may just be on repeat in your head. It seems that everyday a bank asks the government for money, a company dies or thousands of people are laid off. Questions like "Will I be able to find a job after I graduate?" and "How am I going to pay for school?" are asked across university campuses. The incessant talk of a plummeting economy inevitably has students worrying about the future of the economy.

Although economists saw a downward trend in the economy in early 2008, problems weren't as apparent to the general public until the stock market crashed on Sept. 15, 2008. The crash led to a decrease in jobs and a limit on the amount of available loan money. Because of the financial situation, students have had to make plans to compensate for the lack of money available.

Iowa State University has also seen the effects of the economy impacting financial aid. According to Roberta Johnson, the director of the office of student financial aid, federal student loans have not been affected, but many private loan companies have suspended loans or tightened their credit criteria. And while juniors and students relied on Perkins loans—low-interest loans that help with postsecondary education costs—in previous years, that will not be the case for underclassmen next year.

About two or three years ago, the federal government allowed in-school consolidation for Perkins loans, according to Johnson. This meant that interest rates were sometimes lower than 3 percent. This caused a surplus because students were paying their loans back at a faster rate. The government later decided to stop in-school consolidation, resulting in less available money for Perkins loans.

"With Perkins loans, the government gives a federal contribution to the university, which we have to match a percentage of," Johnson said. "Now they
will be given to just freshmen and sophomores because they can’t take out as much money in Stafford loans as juniors and seniors.”

Johnson has tips for those looking to get the largest amount of money possible. First, she says all students should file their Free Application for Federal Student Aid (FAFSA) prior to March 1. Students who do this are eligible for both federal and institutionalized grants, which do not need to be paid back. Second, students who are eligible should apply for work-study to earn extra money. They need to have their FAFSA submitted by the deadline to become a part of the program.

With private loans hard to find, some students are already planning out their finances for next year. Megan Pearson, junior in studio arts and advertising, depends on federal Stafford loans to cover her tuition. Last year, her dad got a new job, so she didn’t receive the full amount Stafford allows and had to rely on a personal loan to cover living expenses. She knew that the economy was facing a downward trend when the company sent her a letter at the end of the year.

“The company basically told me that they had run out of money and they wouldn’t be giving out any more loans,” Pearson said. “That’s how I knew that something bad was going to happen with the economy.”

Luckily, she just saved enough money during the summer and continues to work during school to cover most of her expenses. She is uncertain, however, about her plant to cut costs next year.

“My parents and I are in the midst of discussing me living at home next year,” Pearson said. “It wouldn’t be an ideal situation, especially for my senior year, but I’m definitely considering it.”

Ashley Coulter, junior in elementary education, shares similar worries. Even though she works summers as a nanny and tutors during the school year, she is still concerned about having enough money to cover all of her costs.

“I’m worried about the availability of grants because I depend on that money to help pay for school,” she said. “Taking out loans helps, but I won’t have to pay grants back later.”

That isn’t the only thing concerning students. Kelsey Bolton, senior in business, will graduate in May with a degree where jobs may be hard to come by. According to a recent report on CNN.com, almost 2.6 million jobs were lost in 2008, the worst loss since 1945.

Bolton has taken a proactive approach to look for jobs, but has found little promise, even at the recent College of Business Career Fair.

“The career fair was really discouraging,” she said. “It was the smallest one I’ve ever seen. Most of the companies were just hiring freeze.”

Bolton has already begun to make plans for after graduation, assuming that the economy will still be in a recession. Because she is unsure of whether or not she can secure a job, she will be moving back into her parent’s house in order to save as much money as possible. She may even work at her dad’s business to support herself while she looks for a job.

Although it can be difficult to find a job when companies across the country are laying off thousands of employees, it’s not impossible.

After working at Von Maur for two years, Katy Unger, an ISU marketing graduate, decided that she wanted to move to Colorado. She arrived in Denver right before the stock market crashed. Without finding a job before she moved, Unger was desperate to find something fast so that she could afford a city that was more expensive than her native West Des Moines.

“I checked the ‘help wanted’ section of the newspaper, walked down every street by my apartment and went to every restaurant I saw,” she said. “You name it, I’ve done it.”

Unger began to feel desperate after finding that even temp agencies were turning people away. After about three months of searching, she finally found a job at a high-end window and doors company where she does event marketing.

“You take what you can get during this economy,” she said. “Even less desirable jobs aren’t hiring, so you have to keep your options open.”

Hit the Ethos web site for tips from the pros on still scoring a job.