



IowaCollegeAid.gov  
Your Financial Aid Connection

## NEWS RELEASE

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### **Spring Break & Credit Cards Equals Trouble for College Students** *Trips paid for with credit cards can take a decade or more to repay*

**Des Moines, IA, March 5, 2012** – This month, many college students will jet off to warm, exotic locations for spring break. While these trips may be fun and a welcome relief from the Iowa winter, it's important for students to remember that funding a vacation with credit cards or student loan funds can significantly increase their debt at graduation and impact their ability to meet financial obligations when they enter the workforce.

Students who pay for vacations using a credit card often end up paying more in interest than they did for the actual trip. For example, a trip to Cancun, Mexico can average around \$1,500. If a student paid for their trip using a credit card with an interest rate of 18% and made the minimum monthly payment, they would pay off their trip in 153 monthly payments (over 12 years!) and have paid a total of \$1,673.25 in interest alone.

“While it is important for college students to take a break from their studies, paying for vacation with a credit card can have a long-term impact on their finances,” explained Karen Misjak, executive director of Iowa College Aid. “High interest rates on credit cards make it difficult for students to repay the amount borrowed and the interest that accrues can make repayment even more complicated and expensive.” stated Misjak.

It is wisest for students to use money made during the summer months or earned while working during the school year to pay down debt or for tuition, fees and books, but for those set on traveling over spring break, paying cash for trip is wiser than using a credit card.

For more information about Iowa College Aid or planning, preparing and paying for college, please contact Iowa College Aid at 877-272-4456 or visit Iowa College Aid's website at [www.IowaCollegeAid.gov](http://www.IowaCollegeAid.gov).

#### **About the Iowa College Student Aid Commission**

*Iowa College Aid provides college access, financial literacy, and outreach services to Iowa's students and families as they prepare, plan and pay for college. Iowa College Aid also administers state scholarship, grant, work study, and loan forgiveness programs totaling nearly \$60.0 million annually, administers the Federal Family Education Loan Program (FFELP), provides borrowers with assistance to avoid the serious consequences of default, conducts research and distributes higher education data, and offers Iowans assistance in obtaining student financial aid and college-related information. Through its role, Iowa College Aid also serves as the state-designated administrator of the U.S. Department of Education's College Access Challenge Grant, which is designed to increase the college-going culture in Iowa. Additionally, Iowa College Aid is the administrator of the Federal GEARUP Grant, a multi-year, state-wide grant which is being used to provide early awareness programming and outreach initiatives to thousands of Iowa's students and families. More information is available at [www.IowaCollegeAid.gov](http://www.IowaCollegeAid.gov).*