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## **Iowa Student Loan Helps Combat Educator Shortages with New Grant Program for First-Year Teachers**

*\$2,000 Grant Reinforces the Individual's Decision to Teach in Designated Shortage Areas*

CEDAR RAPIDS, IOWA (Dec. 10, 2010) — Iowa Student Loan® announced today a grant program that emulates a signing bonus for newly graduated educators who choose to teach subjects in identified shortage areas. The **Iowa Student Loan Teacher Career Establishment Grant** program will provide up to **\$125,000 annually** in the form of direct grants to new teachers. Shortage areas defined by the Iowa Department of Education include mathematics, all branches of science, English language learners, talented and gifted, music, agriculture, family and consumer science, foreign languages, industrial arts and special education.

“Recruiting and retaining quality teachers is the first step in ensuring Iowa has an effective education system that distinguishes us from other states,” said **Tim Bottaro**, board chairman of Iowa Student Loan. “Iowa Student Loan designed this new grant program as a way to provide additional validation for the people who choose to teach in one of the state’s shortage areas. It amounts to a \$2,000 check written directly to new educators to use at their discretion.”

The grants are open to recent college graduates from Iowa or out-of-state institutions who are embarking on their first year of teaching in Iowa classrooms. One-time awards of up to **\$2,000** will be sent via check directly to the new teachers, and Iowa Student Loan will award as many as 62 grants each year. Recipients can use the money to help purchase classroom supplies, offset their living expenses, cover their initial student loan payments or help bridge the financial gap between graduation and their first paycheck.

In August 2009, the Iowa Department of Education reported that 214 math teachers in Iowa were ready to retire while only 120 new math teachers were projected to graduate in the state, and 101 physics teachers in Iowa were eligible for retirement, while a mere 16 were projected to graduate.

“There simply are not enough education graduates in Iowa to fill the holes left as more experienced teachers retire or leave the field,” noted **Dan Smith**, executive director of School Administrators of Iowa. “When you consider that some new education graduates may choose to leave the state in search of greener pastures, the problem is compounded. The Iowa Student Loan Teacher Career Establishment Grant provides them an extra incentive to stay here and teach.”

In recent years, Iowa has made headway in teacher pay. The state’s average educator salary as a percentage of the average national teacher salary jumped from No. 37 to 26, according to the National Education Association.

“Iowa has made some significant strides in raising teacher salaries, but teaching remains low-paying compared to many other career options,” said **U.S. Rep. Dave Loebsack, D-Iowa**. “This is especially true in subjects such as math and science, where it may take years of teaching to reach the same level of pay that a physics or biology graduate can earn in an entry-level position in private industry. This program will encourage more of Iowa’s best students to enter the teaching profession and help ensure our children receive the top quality education necessary to compete in the 21<sup>st</sup> century global economy.”

### **Loan Forgiveness Program Concludes; More Than 300 Iowa Teachers Awarded Funds**

The introduction of the Iowa Student Loan Teacher Career Establishment Grant coincides with the conclusion of the Teacher Education Loan Forgiveness Program. Initiated in 2006, the education loan forgiveness program stopped taking new applications after the 2009 – 2010 award year.

Iowa Student Loan committed millions of dollars to more than 300 Iowa teachers who entered state-designated subject shortage areas. To date, approximately 20 percent of the money has been distributed, and the remainder will be doled out as the educators fulfill their obligations.

The new grant program will *not* impact the benefits received by students in the education loan forgiveness program.

“The Iowa Student Loan Teacher Career Establishment Grant puts money directly in the pockets of new education graduates,” said **Steve McCullough**, chief executive officer of Iowa Student Loan. “Our loan forgiveness program provided a complement to the federal loan forgiveness programs available, and we are proud of the results. The new Iowa Student Loan Teacher Career Establishment Grant strikes at the heart of the financial need and is structured to help launch first-year teachers in their new positions and communities.”

One of the hundreds of success stories include:

Four years ago, Laura Eklund was just starting her first job as a math teacher at Jefferson High School in Cedar Rapids. Initially split between whether to go into math or science, Eklund chose to teach math because of her own high school experience. She acknowledges that geometry and algebra aren’t the most popular subjects at her school, but that makes attracting good math teachers even more critical. Eklund is on track to receive about \$9,000 in loan forgiveness benefits from Iowa Student Loan, and she is quick to point out the need and advantages of the new grant program.

“I was teaching a month before I received my first paycheck, and it can be a real challenge when you have plenty of expenses for things like rent, car and school supplies, but no money coming in yet,” she explained. “Receiving \$2,000 at that time would have been huge. It will make a big difference for teachers who are just starting out.”

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### **About Iowa Student Loan**

Since 1981, Iowa Student Loan, a private, nonprofit organization, has helped Iowa students and families obtain the resources necessary to succeed in postsecondary education. Iowa Student Loan is currently assisting nearly 240,000 customers pay for college. The organization, based in West Des Moines, Iowa, also provides benefits in the form of discounted loan products and loan forgiveness programs and supports free college planning services for students and their families. For more information about Iowa Student Loan, visit [www.studentloan.org](http://www.studentloan.org).