

Dear Chairmen Argall, Chairman Smucker and Vice Chairman Reschenthaler and Members of the Committees,

Thank you for the opportunity to present to you today.

My name is David Glezerman. I am the Assistant Vice President and Bursar at Temple University, with responsibility for student billing and collections as well as coordinating the University's financial wellness initiatives. The most important message I want to leave you with is this: Temple University takes the future financial health of its' students very seriously on multiple levels. I would like to take a few minutes and explain how we do that.

At the direction of our Board and senior administration, we manage our tuition, fees and room & board very carefully. In the past decade we have addressed student needs through cost containment, financial literacy, technology tools & enhancements, and special initiatives such as 'Fly in 4.' We are always concerned about the indebtedness of our graduating students and the default rates of our alumni. These issues ultimately follow students into their working life.

We believe our record applications for admission these past few years are a signal that we have a favorable price point for today's college student. Our status as a state-related institution has enabled us to keep student costs low. Temple is very competitive in today's higher education marketplace.

In addition, we provide several tiers of housing options for students ranging in expense from \$3,770 per semester to \$5,476 per semester. Students also have multiple meal plan options based upon their budget and needs.

We have found that one of the most critical approaches to lowering student indebtedness is by improving the student's time to graduation. On average Temple students work about 10 hours per week during the academic year. At any given time, we have approximately 3600 students eligible for work-study jobs on campus, thus providing students an opportunity to work a limited number of hours each week while they attend classes and study.

This sometimes slows their progress toward graduation. Recent studies have found that working excessive hours (more than 15 hours per week) can have negative consequences for student success and their ability to graduation in four years.

In 2010 the average time to graduation for a graduating Temple student was 4.51 years. In 2016 the average time to graduation for a Temple student improved to 4.36 years. This improvement means a Temple student had lower out of pocket costs during their academic career.

Temple has made investments in student academic advising, the administration of financial aid, and technology tools for our students. Our Fly in 4 program, starting in fall 2014, requires

students to see an advisor at least once each term. This effort assists students in staying on track and on-time. For Fall 2016, 93.5% of incoming freshmen registered for Fly in 4.

We also have invested in advanced software which identifies student demographic data and matches them to available endowment proceeds. We provide internally funded need-based, and merit-based aid. Through some of our existing financial literacy tools, the University provides students with real-time information regarding their borrowing and its future impact.

As part of its financial literacy efforts Temple has been issuing a formal notice to every student who has a loan awarded of their future obligation. We also provide financial aid counseling for students who request such support.

Some of the obstacles we face in the future are items that most people would consider positive developments, yet they have an unintended consequence for students:

- We have seen many cases where students and families take out loans that they don't need for college because interest rates are, and have been very low, as opposed to using personal savings. Many parents and students also borrow at the last minute when tuition bills are due. Incorporating a parental education component into financial literacy or wellness programs also will benefit these individuals, many of whom are making uninformed and sometimes, ill-advised decisions without proper information or guidance.
- Many students whose financial aid awards do not meet their full cost of attendance are forced to work to meet their outstanding tuition balances or living expenses. Clearly, while student debt increases when individuals need longer periods of time to graduate, assisting students with their academic requirements and facilitating on-time graduation leads to reduced borrowing.

Temple University has taken on a more active role in the past several years to promote financial “wellness” for our students, parents and alumni. Realizing that personal financial education in secondary schools and the home may be insufficient for the average student (and sometimes, family), we have attempted to provide basic personal finance information beyond how to borrow and use student loans. The lack of personal budgeting tools and capabilities, excessive use of credit cards and lack of understanding about basic financial concepts (i.e., interest, ATM fees, savings) all contribute to potential student loan borrowing and its related costs and impact on students’ futures.

Some of Temple’s current and future initiatives to promote financial wellness include:

- **Implementation of a Tuition Calculator in 2014** to assist students and families know what are the annual and semester-based costs, including room and board. With numerous decisions based on academic major and where a student wants to live on-campus, it can be confusing to understand the full annual cost to attend school. The calculator provides current charges, based on the student’s choice of program and where s/he prefers to live and eat on campus. This calculator will be expanded so that students can include estimated financial aid based on their

individual award letters and receipt of outside scholarships and other assistance so they can identify funding gaps and seek additional resources rather than exclusively consider additional loan funds.

- **Creation of a University-wide Financial Wellness Work Group** in 2010 that has guided University officials in developing programs to serve students and families. Representing a cross-section of academic and administrative units at Temple, this committee incorporates activities to provide resources not only for current students, but also for prospective students, parents and alumni.
- **Temple's online Student Loan and Money Management website** (<http://slmm.temple.edu/>) provides a 24/7 online resource for student loan borrowing and repayment, as well as much additional personal finance tips and suggestions to enhance budgeting skills and understanding of consumers' rights and responsibilities in managing money.
- **Incorporated personal finance information into our Freshman Seminar classes**, along with developing several other academic classes related to personal finance and financial wellness. Utilizing trained faculty and other University staff and administrators trained on financial wellness concepts, these student interactions allow for direct education about key personal finance concepts and allow students to discuss individual needs and concerns.
- **Sponsor a series of campus events to promote financial wellness**, such as our Owl About the Money – Live Event held last April as part of the national Financial Literacy Month. Utilizing campus and external resources, the University strives to promote information sharing and make counselors available to provide information about student loan repayment options and other personal finance concerns.
- **Temple has started work on creating a student debt letter.** With the average indebtedness for a Temple graduate for 2014, the latest available year is \$35,760., we have identified this concept as a best practice model in financial wellness training and education. Temple plans to implement this correspondence directly to its current students in the summer of 2017, just before students must decide whether to accept their new student loan awards.

While format and content of this letter are still under development, our goal is to provide a timely status of student loan borrowing to date and links/resources to assist borrowers with repayment costs and options.

With much interest generated in mandating such letters and disclosures to student loan borrowers, Temple hopes that any proposed legislation will provide schools with the flexibility to determine when to annually issue the letter and on its content. Because of the complexities associated with interest rate calculations and estimated monthly payment amounts, along with concerns related to the

borrower's interpretation of this information, we further recommend a hold, harmless provision so that schools do not withhold needed information for fear of subsequent legal actions.

While Temple University intends to continue its proactive stance in providing financial wellness information to its students and families, the university further recommends that discussions surrounding financial literacy and transparency include steps that may be taken in secondary schools and by appropriate state agencies. Again, we cannot stress enough that personal finance education should not be mandated or offered exclusively at the college/university level.

Financial literacy education is not limited to the classroom or home. It is not solely one entity's responsibility – it is a societal responsibility to educate and provide our young people with the necessary tools and resources to function viably in today's ever-changing world. Whether using state-of-the-art technology or one-on-one counseling, it is vital to the present and future students in Pennsylvania that we maximize our efforts and offer resources to assure that knowledge about personal finance is an asset to our future leaders and citizens.