Proposal for Testimony at Senator Casey's hearing on College Affordability
For October 5, 2009
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To give my story a context, I would introduce my family as being of middle-class status. My husband is a clergyman. He holds a Bachelor of Arts degree from Lycoming College in Williamsport PA and a Master of Divinity from the School of Theology at Boston University. For the past 33 years of my husband's working life in the ministry of The United Methodist Church, we have lived in church-owned residences. I am employed in an administrative assistant position for a non-profit. I also hold a Bachelor of Arts degree from Lycoming College. After working on and off at part-time jobs when our oldest children were young, I went back to work full-time in 1994. That is the year that our oldest started college. In 1995, our joint income for our family of seven was $49,140. Last year, our joint income for our family of three was $70,637.

This year, our baby, Child #5, started his third year of college. Unfortunately for us, as each child has "flown the coop," the evaluation by financial aid assessors has deemed that the family contribution should increase.

Fifteen years ago, when our oldest began college, with a Pennsylvania Higher Education Assistance Agency (PHEAA) grant and other financial aid, scholarships, grants and student loans she received from various sources, our parent contribution was approximately $500 per month, and we paid that on a payment plan offered by the university. While she, herself, did borrow the maximum amount available to her as a student, we, as parents, did not have to take out a parent loan. Her tuition costs were manageable because she attended a public university. Her second year was easier for us as she served as a Resident Assistant, thus cutting the cost of her housing which was included as part of her remuneration.

As Child #1 began her senior year, our second child enrolled in a Pennsylvania state university. Again, with two in college and three still at home, Child #2's financial aid package, including student-assumed loans, was significant enough that, added to his own personal savings from a lucrative summer job in a union warehouse, we were spared from having to take out a parent loan. We got through the second child's 4-year education with no parent loans.

Child #3 chose to enroll in a public university. A PHEAA grant, plus the university's financial aid was sufficient, with student-assumed loans, to prevent us, as parents from having to take parent loans. That was a pretty good situation, but it was soon to change for us when he decided to transfer to a state college in a non-bordering state for his second year, and the expected contribution for our family, now a family of 5 rather than 7 (as the oldest two had by now received their undergraduate degrees), was now increased. For his second year of studies, the financial award received by #3 from PHEAA was reduced to an amount for each semester that was not enough to cover the cost of one textbook. Now we were looking at not only student loans, but parent loans. Still, the

parent loans we incurred were modest at a total of $4,000 by the time he received his degree from an out-of-state state college.

Child #4 started her college career the year that #3 started his 4th year. She decided to attend a small, private college in Pennsylvania. With contributions from PHEAA, financial aid and scholarship assistance from the college, and a student loan, we parents still had to take out a parent loan in the amount of $4,000. When Child #4 was not selected for a Resident Advisor position, she decided to transfer to a less expensive public university so that neither she nor us, her parents, would be strapped with more loans than absolutely necessary. In order to finish her degree and to keep us, "the old folks," from incurring more debt, this child worked a full time job while carrying a full-time academic course load. Her college experience was not what you think of as being typical. It was not very much of a social experience at all, and she may very well be the better for it. Her social life was made up more of friends she had from her job than from friends she made at college. She did manage to do a study abroad semester in Rome which was probably closer to being the typical college life experience than the semesters when she was working full time.

Child #5 began his first year of college as #4 began her fourth year. Number 5 decided to go to a private university in a bordering state. There was no PHEAA grant at all to assist with his costs. To pay for his first year, he received some financial aid and scholarship from the university, took out the maximum student loan allowable, and we, his parents, borrowed the remainder -- $15,678 – for one year. At the end of a successful academic first year, he made the practical decision to transfer to a public Pennsylvania university to lessen the cost of his education.

Back in Pennsylvania for his second year of college, a much more affordable year than his first, his bill was paid with very minimal financial assistance, none of which was received from PHEAA, with the maximum student loan and with a parent loan of $6,717 – less than half the loan amount of the previous year.

This year, so far, with his taking the maximum student loan, we are assisting him in paying the balance owed. He is paying approximately one-third using money he earns as a server at a popular restaurant and we are paying the remaining two-thirds. The final payment of $3,038 is due tomorrow.

This situation will probably continue for another two and a half years as Child #5 lost a good number of credits which were not transferable when he left the first, very costly, out-of-state university to continue his education at a Pennsylvania institution. His 4-year degree program is going to take five years to complete, costing a year's worth of tuition more than what it should.

My testimony is not meant to complain, but is meant simply to share my family's experience. We feel very fortunate to have seen these 5 offspring through their years of undergraduate work. The oldest two have since completed Master's degrees at their own

expense. Number 3 is working on his, Number 4 is planning for hers, and Number 5 takes his plans to complete his master's degree for granted.

However, now that we have accomplished, for the most part, our children's educations, my husband and I are facing his probable retirement at age 66 in about two years. We have reached this stage in our lives, having assisted in seeing our children through their educations, but without having equity in a home of our own. We have been fortunate, on one hand, to have had our housing provided as part of my husband's compensation package, but the drawback is that we have not been able to build up any equity in a home. We are now facing the situation of having to be approved for a mortgage late in life, to then find affordable housing for retirement years, and to continue to work at paying off the educational debt we have incurred.

In conclusion, though both my husband and I had the privilege to receive our own undergraduate educations in a small, private Pennsylvania college, and know that experience to be unique in its own way, from a realistic point of view, taking into consideration our family's financial situation, we do not believe that it would have been a prudent decision for any of our five children to choose a four-year undergraduate education at a private college or university. Though two of our five children tried to, neither continued past their first year. Truthfully, had each of them, on their own, not chosen to leave the private setting, we, the parents, would be facing a considerably larger debt than we have. Private education did not seem to us to be a choice our family could afford to make.