



**Testimony of
President Patricia A. McGuire
Trinity Washington University**

**Before the Senate Banking Committee
April 15, 2008**

**Regarding the Impact of the Credit Crunch
On the Student Loan Market and College Students**

Trinity is one of the remarkable stories of transformation in American higher education. One of the nation's historic Catholic women's colleges, now a comprehensive urban university, Trinity today educates a majority of African American, Latina and other students from economically disadvantaged backgrounds in the District of Columbia and nearby Prince Georges County. After years of struggling with enrollment, our historic undergraduate women's college is now thriving with a new generation of young women from our region who desire an excellent academic education, while working women and men from D.C. and surrounding jurisdictions find Trinity's professional programs to be sources of great success. Scores of local employers seek out our students even when they are still in school, and our graduates gain entrance to some of the finest law, medical and graduate schools.

All of this is now at risk. The credit crisis and its potential impact on student loans could have grave consequences for Trinity and the students we serve. I am testifying here today because Trinity is emblematic of the small, private institutions of this nation --- of which there are hundreds --- who, while thinly capitalized, are providing vitally important educational leadership to at-risk students, which is a great service to our region and nation. Trinity's \$10 million endowment marks us as one of those colleges founded by Catholic religious women whose devotion to mission led them to spend more time teaching their students than amassing wealth. It is one of the great ironies of contemporary higher education that small, marginally-resourced private institutions like Trinity now serve proportionately more low income students than many public universities, particularly the flagship state universities. Trinity's median family income is about \$30,000, compared to a median family income near \$100,000 at Maryland or UVA.

Our students are at grave risk. To supplement the very large tuition support that Trinity provides in unfunded institutional grants (averaging 40% of our tuition price) our students also depend heavily on federal student loans and some private loans to finance their education at Trinity and to support their living expenses while in college. Unlike wealthier families, these students have no fallback position. If their student loans disappear, their college may also be at grave risk. We, too, have no fallback position. Yale, Harvard, Princeton and other immensely wealthy institutions can relieve middle class families of any worries by removing loans entirely from their financial aid mix, using the earnings of their massive endowments to subsidize students

whose family incomes may be as high as \$150,000 per year. My students --- whose families would be delighted to earn \$50,000 per year --- cannot have the same financial privileges that Harvard and Yale can extend to their students. Where will my students go to school if their loans disappear? What will Trinity do if our students cannot afford to pay their modest balances on our tuition bills? The credit crisis poses enormous risk for students and colleges both.

Trinity: History and Transformation

Trinity has played a significant role in American history. Founded in 1897 by the Sisters of Notre Dame de Namur to educate women who were barred from admission to the male universities in Washington in those days, Trinity College grew to become the *alma mater* of many notable women of achievement in the public sector, including numerous judges at the federal and local levels, White House staff in several administrations, a governor (Kansas Governor Kathleen Sebelius, Class of 1970), former Congresswoman from Connecticut Barbara Bailey Kennelly, Class of 1958, and the first woman Speaker of the House Nancy Pelosi, Class of 1962.

(May I also note Speaker Pelosi's distinguished classmate Martha Dodd Buonanno, sister of Senator Dodd, whose Trinity roots were clearly established well before he met Martha, since his dear mother Grace Murphy Dodd was a member of our Class of 1929!)

Trinity in 2008 is a remarkably different institution from the historic Catholic women's college of the previous century --- larger, more diverse academically and demographically, and serving a majority of students of color from economically challenged backgrounds. Trinity in 2008 enrolls more District of Columbia residents than any other private university in the nation; nearly half (about 785) of our 1650 degree students are D.C. residents; another one-third hail from Prince Georges County, sharing many of the same economic and demographic characteristics of our D.C. residents. Virtually all of our D.C. residents come from the eastern half of the city, fully a third from east of the Anacostia River in Wards 7 and 8. We are the only university offering a degree program east of the river at THE ARC in southeast Washington.

Trinity helps students to achieve levels of academic success that many previously thought unattainable. Trinity's studies show that during a five year period since 2001, 65% of our D.C. students are either still enrolled or have graduated, a remarkable rate of success in a city where studies show that only 9% of today's 9th graders will finish college¹. A recent report by the D.C. State Education Office, funded by the Gates Foundation, hailed Trinity's success with D.C. students: "...the District should more proactively encourage increased D.C. student enrollment in colleges with a track record of success in serving low-income and minority students, including

¹ For more on Trinity's success with D.C. students go to <http://www.trinitydc.edu/dc/>

higher graduation rates...such as Trinity...”² Trinity’s overall six-year completion rate is about 55%, which is significantly higher for the population we serve than the national average.³

Today’s Trinity graduates follow in the footsteps of our prior generations when it comes to post-baccalaureate achievement: among recent graduates we have a Jack Kent Cooke Scholar now studying law at Georgetown; a Charles Rangel Fellow preparing to enter the foreign service; and numerous candidates for degrees in medicine, law, policy studies, education and other fields in universities as distinguished as Columbia, Penn, Cornell, the University of Virginia, Georgetown Law and many other great graduate schools. Our recent graduates have also gone on to work in excellent professional positions with many federal agencies and private firms in the Washington region. Because of our strong tradition of internships, nearly 100% of our students are employed by the time of graduation. A recent report on the higher ed website www.insidehighered.com highlighted Trinity’s new general education curriculum, illustrating the tremendous faculty commitment that ensures success for our students. This article is attached to this testimony.

Trinity accomplishes all of this without a great deal of fanfare, and without extravagant resources. In testimony I gave in December 2006 before the Senate Finance Committee (see http://www.trinitydc.edu/offices/president/Speeches/2006/120506_Senate_Finance_Testimony.php) I elaborated on the many ways in which Trinity and institutions like us provide great value for college students with only modest resources and careful attention to student economic concerns.

Demographics and Economics

Nearly 90% of Trinity’s students today are Black, Hispanic, Asian or international in their immediate family identities, and more than 95% are low income students who receive substantial unfunded tuition discounts in order to attend Trinity --- 40% is our average full-time tuition discount. “Unfunded” means that we do not have endowment subsidizing these “grants”--- this is lost revenue, amounting to more than \$4.5 million annually on our \$25 million budget. Trinity’s endowment is just about \$10 million, which means that we do not have the means to support our students if the federally guaranteed student loan programs or the private loan

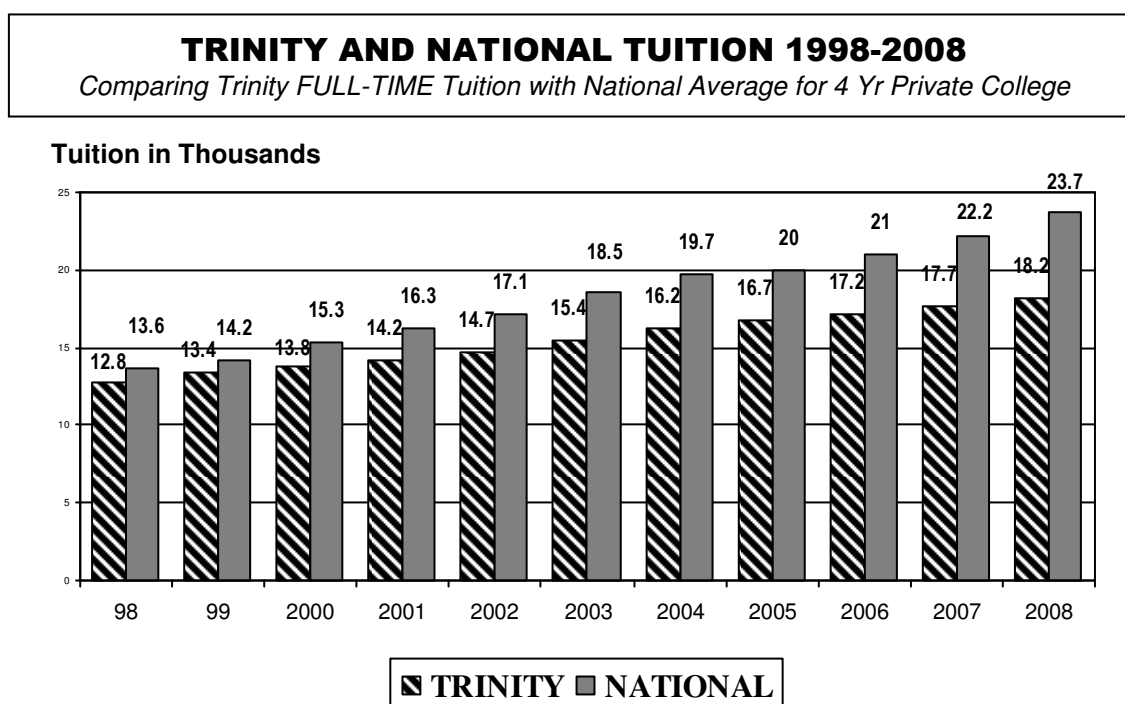
² “Doubling the Numbers: a Call for Action for the District of Columbia,” D.C. State Education Office, October 2006. Available at <http://newsroom.dc.gov/show.aspx/agency/seo/section/2/release/9956>

³ Many of the students who do not complete at Trinity actually complete their degrees at other institutions, but the current national method for calculating graduation rates does not include students who transfer out and complete elsewhere. Moreover, some students who stop out actually do come back to complete degrees later on, in our adult studies programs, but students who take more than six years to complete are also left out of the current methodology for calculating completion. In particular, many women who start degrees when they are teenagers stop out to have families or care for sick relatives or attend to the demands of work; they return to college in their 30’s and 40’s to finish those long-desired degrees. In other forums, I have advocated for a change in the view of degree completion to capture these persistent undergraduates whose circuitous route to degrees is heroic and deserves recognition in our national data system. Note as well that, nationally, nearly 75% of all undergraduate students are now “non-traditional” by age or work circumstances or de facto independence from parents. Fewer than 25% of all undergraduates are “traditional” in terms of being on-campus residents with two parents who are paying the college bills. Lenders who threaten to use “dropout rates” or other statistically flawed methods need to take a careful look at the real data and trends behind the published information.

programs are jeopardized. 62% of Trinity students receive Pell Grants, another indicator of the critical economic challenges our students face.

Tuition and Financial Aid

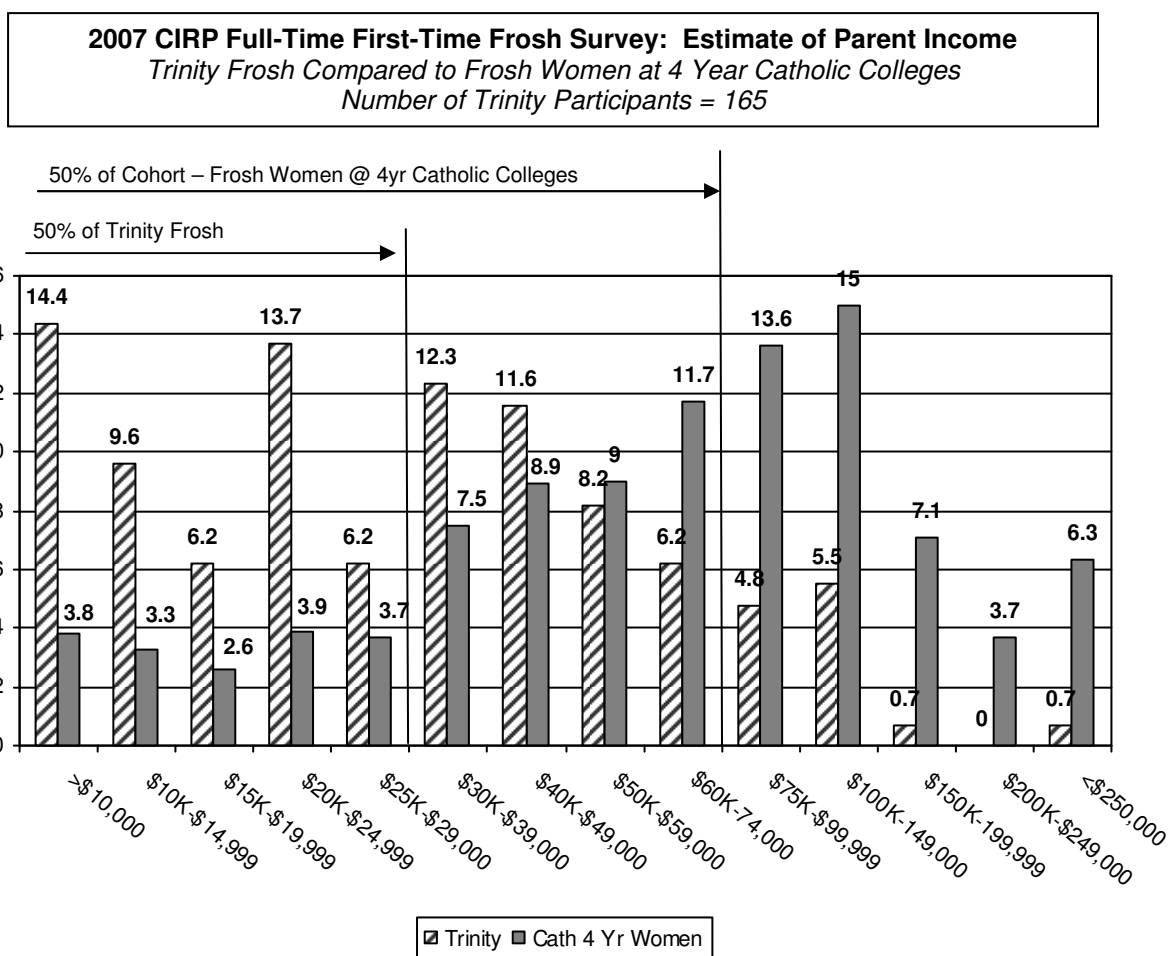
Trinity's full-time tuition is \$18,250 in 2007-2008 (in 2008-2009, tuition will go up 3% to \$18,800), but I don't know of any students who actually pay that amount. Trinity makes every effort to keep our annual tuition increases very modest, just about 3%, since we know our students have large financial burdens. Trinity's tuition today is just 77% of the median national tuition for private four-year colleges (\$23,700 in 2007-2008). The chart below showing the difference between Trinity's price increases and national private college tuitions illustrates the fact that Trinity's modest tuition pricing policy has provided a sizeable amount of additional price support to students that is in addition to the formal 40% average discount that nearly 100% of our full-time students receive.



Trinity provides similarly price-conscious tuition rates for our part-time and adult students in professional and graduate programs. We estimate the total cost of attendance at Trinity this year to be \$26,900 (in 2008-2009 we estimate the total cost will be \$27,700) with housing and food costs added, either on-campus or off-campus. For full-time undergraduates, after the Trinity discount, the Pell Grants, the D.C. Tuition Assistance Grants and other financial aid, the typical full-time Trinity student pays about \$2,000 or less out-of-pocket for remaining tuition balance and related non-housing expenses like books or transportation. That's still a great struggle for many of our students. Book prices alone can break the back of even middle class students, to say nothing of students hailing from Wards 7 and 8 in D.C. --- a \$160 economics or biology textbook has sadly become the norm, and even though we work with faculty to find alternatives, books

remain the bedrock of higher learning and students need to acquire their own academic materials over time. In the same way, having a personal computer today is essential for academic work, but many of our students cannot imagine spending \$500 or more to purchase their own computer; we provide as much space as we can afford to offer in computer labs.

In order to afford these essentials, most of our students are working at least 30-40 hours a week, even as full-time 18 year-old freshmen, in order to achieve their dream of a college degree at Trinity. The majority of these students have virtually no “expected family contribution” when financial aid calculations are done, and they are largely independent students even though they are of traditional college age. Many of these students also contribute to the support of their families, including, in some cases, their own children. But their desire for a college education is so strong that they are willing to work hard and make many sacrifices in order to stay in school.



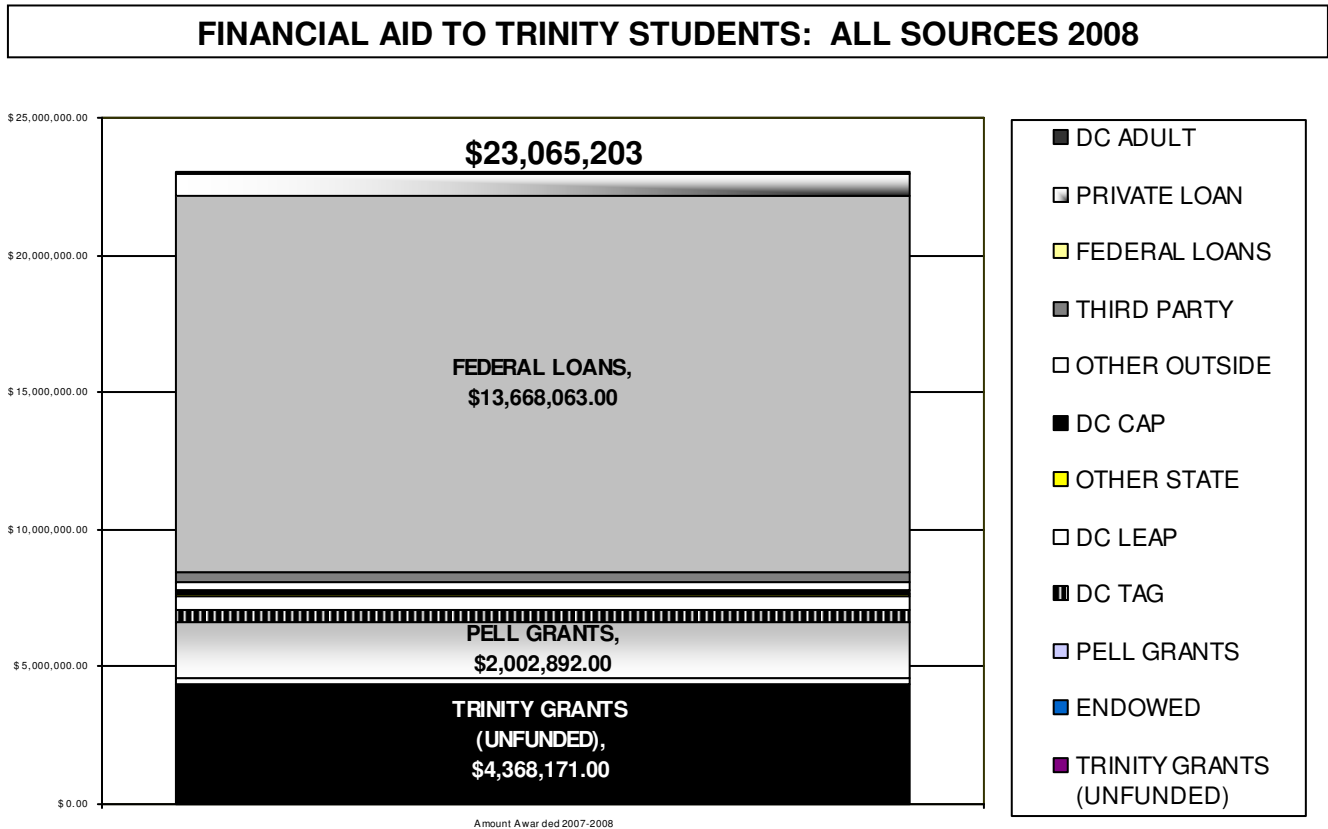
The chart above is illustrative of the economic challenges of Trinity students. This data comes from the Freshman Survey of the Cooperative Institutional Research Program (CIRP) administered every year to first year students since 1968. Trinity’s comparison cohort is women at 4-year Catholic colleges. For Trinity freshmen in the Fall of 2007, 50% reported estimated family incomes of less than \$30,000. Compare that to the cohort group, where 50% reported estimated family income of less than \$75,000.

The Vital Importance of Federal Loans

The federally guaranteed loan program is essential to ensure that Trinity students, and students like them, can stay in school, focus on their academics, and earn their degrees. At a time when there's so much national rhetoric about the cost of higher education and the squeeze on low income students, in particular, the credit crisis and the threats to the loan programs could be catastrophic not only for individual students but for the future economic productivity of our nation.

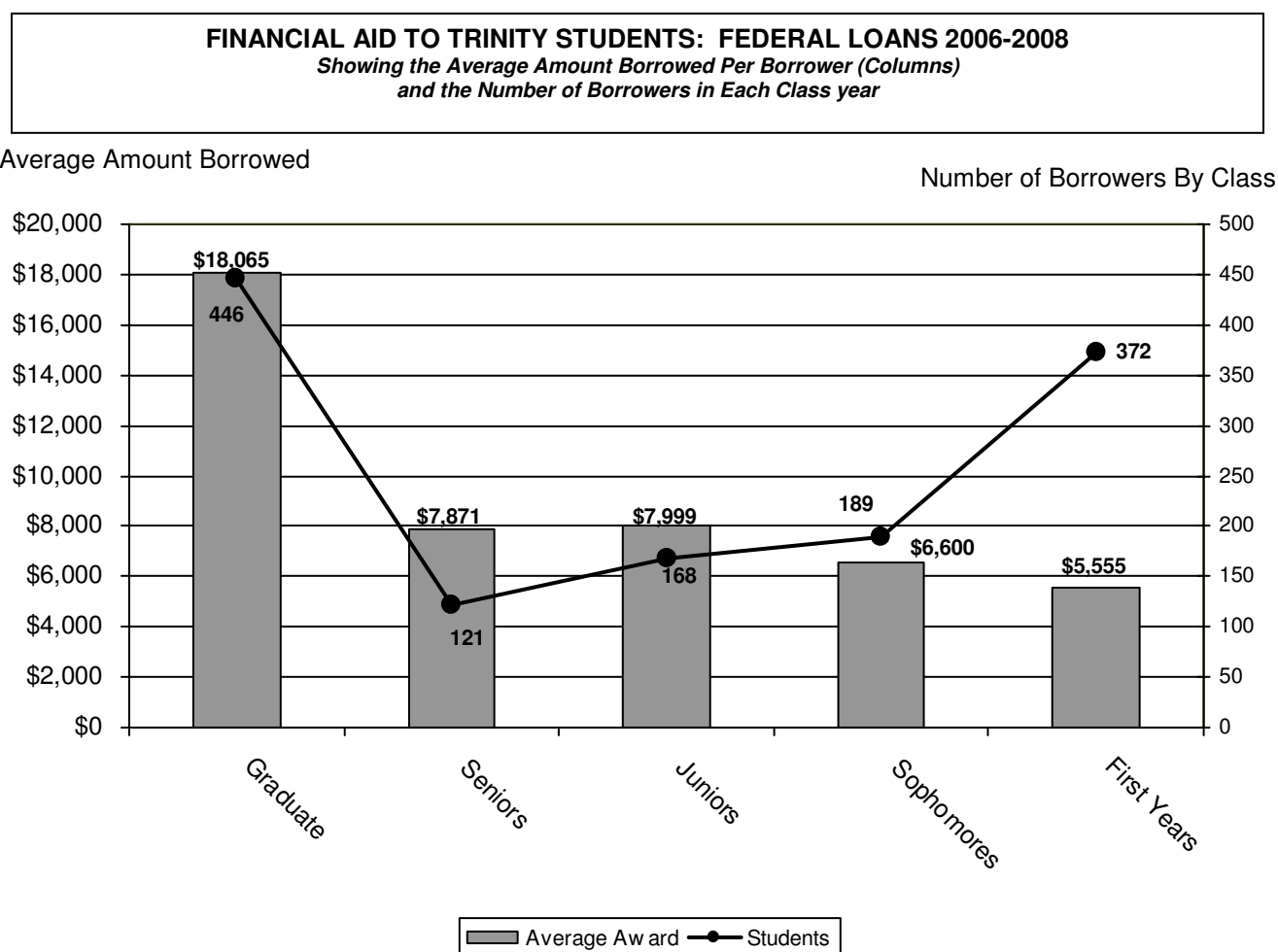
Our students at Trinity clearly need the federal loan program to help them cover the remaining tuition costs that Trinity and other grants cannot subsidize, as well as the additional costs of attendance beyond tuition, including support for housing and food, as well as books and transportation. Our experience shows that we refund about 35% of the total loan volume back to our students, and these refunds make it possible for students to pay for their books and living expenses while enrolled in school.

To understand the significance of the federally guaranteed loan programs at Trinity, here is a snapshot of our total financial aid volume in 2007-2008:



To put those numbers in perspective: Trinity's operating budget in Fiscal 09 will be just about \$25 million, and we expect our tuition revenues to be fairly similar to this year --- about \$19 million in net tuition after we subtract the discount. So, Trinity's budget is about 76% dependent upon tuition revenues, 80% dependent on student tuition and fees when we add in room and board fees. Because student loans are the largest form of financial support our students receive, any weakness in their ability to secure loans will also impact Trinity's bottom line quite severely. Our \$10 million endowment could not possibly backstop any erosion in student loans, particularly in light of our already-substantial discounts.

The chart below shows how the \$13.6 million in federal loans works by student by grade level:

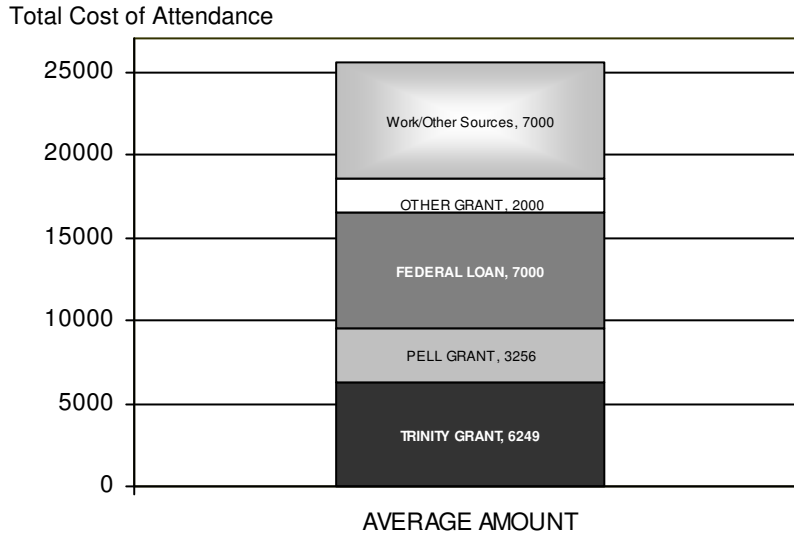


For the nearly 1300 students receiving loans reflected on the above chart, any reduction in their ability to borrow could be catastrophic for their academic careers and personal life goals. Graduate students, who can borrow very substantial sums, are not eligible for grants, so they need the loans to support the full tuition price. The 372 first year students could not possibly replace \$5,555 in loans with other aid sources; Trinity already provides those same students an average Trinity grant of \$6,550, and 78% of that student group also receives Pell Grants averaging \$3,402.

I should also point out that even with such a large loan volume, Trinity’s default rate is just about 3.2%, which is a remarkable achievement that indicates how seriously our students take their obligations to repay their student loans.

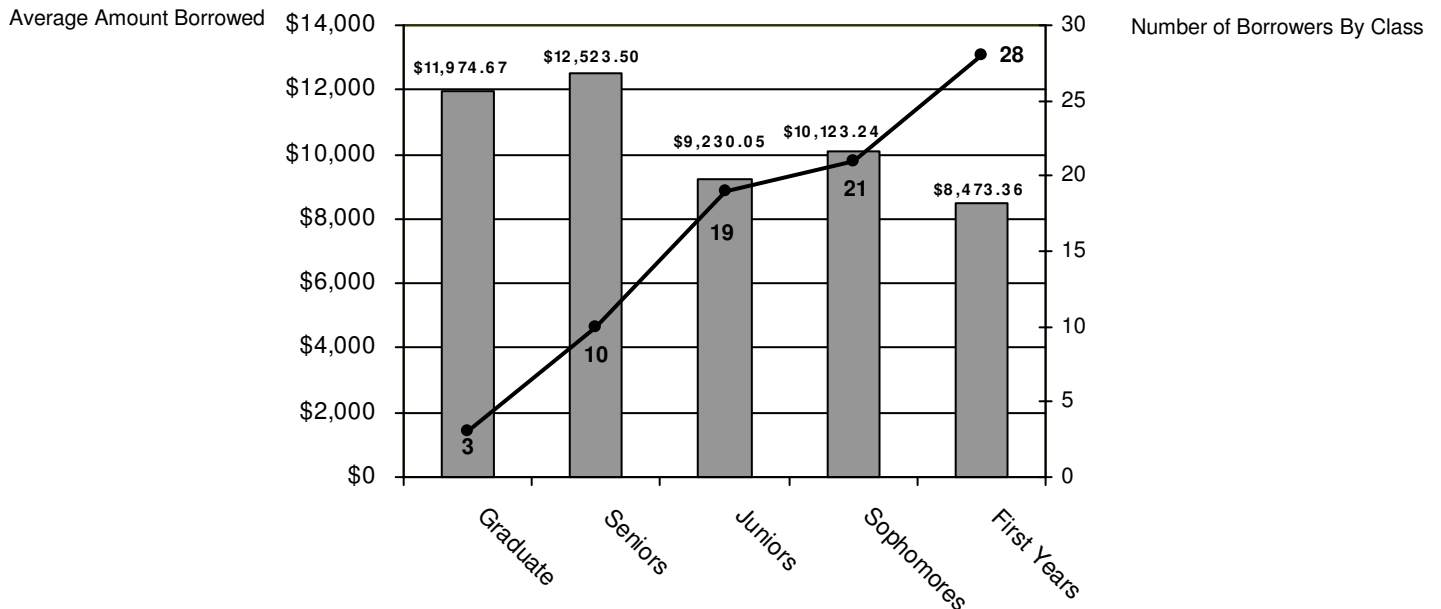
The typical financial aid package for a full-time Trinity undergraduate looks like this:

**FINANCIAL AID TO TRINITY UNDERGRADUATES:
TYPICAL PACKAGE FOR TOTAL COST OF ATTENDANCE 2008**



While the vast majority of Trinity students participate in the federally guaranteed student loan program (FFELP), a small number of Trinity students are also dependent upon private alternative loans to help finance a portion of their higher education. We currently have 81 students, including 78 undergraduates, who receive nearly \$800,000 in private loans. The illustration below shows the average private loan for these students by class year. This group is the most seriously at-risk at present for devastation of their college plans by the collapse of the private loan market.

FINANCIAL AID TO TRINITY STUDENTS: PRIVATE LOANS
Showing the Average Amount Borrowed Per Borrower (Columns) and the Number of Borrowers in Each Class year



CONCLUSION

Higher education is the engine that drives the Knowledge Economy. For this nation, promoting access to higher education has been a firm national policy since the GI Bill in 1944. Successor legislation expanded the benefits of that landmark law to millions of students who might not have gone to college without the benefit of federal aid.

I know full well the importance of financial aid, particularly the federal student loan programs. I could not have attended Trinity College without a generous scholarship from a benefactor I never met, and I would not have been able to afford my law degree at Georgetown without federal student loans. Looking back, I am still amazed at the ways in which that generous benefactor and those progressive loan programs shaped my professional and personal life.

When I see my students racing to class each day at Trinity, struggling with their Shakespeare papers and pondering their history textbooks, learning to conduct public opinion polls or chemistry experiments, I know that great careers and fulfilled lives are on their horizons because of the opportunities we have been able to extend to these students at Trinity. Particularly for the young women from the District of Columbia for whom Trinity offers so many advantages that were not part of their previous educational experience, the pride, self-confidence and academic skills that they acquire at Trinity are truly transformative. When I recently listened to a student explain with excitement how she finally understood algebra, when I saw her joy as she related her parents' disbelief that she is now earning at least B's on her math exams, I know that we must find every means to sustain our mission.

Federal student loans are essential to fulfilling the promise of higher education for the students we serve at Trinity, who are not so very different from millions of American college students. The return they will make to this nation is incalculable --- if they are able to persist in school and finish their degrees. Any interruption of student loans will be a great loss not only for our students and our institutions, but also for our nation.

April 4, 2008

The Foundations of General Education



Students in Minerva San Juan's philosophy class at Trinity.

Elizabeth Redden

At one point during class Minerva San Juan stopped short. A student in the front row had successfully volunteered the link — and leap — between an assumption in an article and an inference drawn from it, and the professor wanted a second to savor, even celebrate, the occasion.

“That moment of abstraction is what they’re not used to doing in high school at all,” San Juan explains after class, Philosophy 103: Reasoning and Argumentation, in a hallway of the old, stately Main

Hall at Trinity College, in Washington, D.C. The building dates to the college’s opening in 1900 and its heritage through much of the 20th century as an elite Catholic women’s college, a sister to Georgetown University across town. Under pressure to change after suffering intense enrollment declines in the 1970s and ’80s wrought (in part) by expanded coeducation, today Trinity is an institution transformed, with its largest freshman class this fall since 1967 — and a very different class at that. Nearly half its students are D.C. residents, more than 85 percent are black and Hispanic, and 62 percent receive federal Pell Grants (a proxy for low-income status).

“Trinity has gone through this radical and exciting transformation and while I think our faculty have done an amazing job of developing pedagogies to reach out and be successful with this new student body, the curriculum hadn’t kept pace,” says Elizabeth Child, dean of Trinity’s College of Arts and Sciences. This fall, the 631-student women’s undergraduate college introduced a revamped general education curriculum, built on the bedrock of first-year classes emphasizing “foundational skills” — critical reading, written communication, oral communication, critical reasoning, and quantitative reasoning.

“I think it would be fair to say that the driving impetus behind our discussions and the way that we crafted this curriculum was that, for the student body that we serve, the student demographic that we serve, there are a lot of discussions about their deficiencies,” Child says. So-called urban learners “tend to come from big urban public high schools where they’ve been educated in chaotic and unsatisfactory ways. They have lots of educational deficiencies. They know that; there’s a lot of press about that, about the Washington, D.C. high school systems.”

“What we wanted to do was craft a curriculum that speaks to and takes advantage of the amazing assets of these students. In particular, we wanted to recognize the resilience of our students and the persistence of our students, the kind of survival skills that they have learned in order to get to the point that they would even aspire to go to college” — while, at the same time, Child says, recognizing that many students come in unprepared for college-level work in some subjects.

“There were things which were implicit in the old curriculum which now we have simply made explicit. Instead of expecting our students to infer how you read critical theory by simply giving them examples and saying ‘Read this, and come in and talk about this,’ we’re now much more explicit. ‘Here’s the reading that you’re going to need to be able to do. Here are some strategies for doing that reading successfully,’ ” says Child. The new curriculum requires students to take classes in each of the five foundational areas, with an emphasis on delivering skills instruction through the disciplines. On a recent Wednesday in San Juan’s philosophy class — which fulfills the critical reasoning requirement — San Juan, an associate professor, led students through an analysis of Baruch Brody’s article on “Fetal Humanity and Brain Function,” beginning with the article’s purpose, the assumptions (and inferences!), information presented, etc., and ending with a set of questions about “How convincing is the article?”

“In [most other] classes, you read an article, you have to say what it’s about, but you don’t go into what is an argument,” says Ana Schwartz, a freshman from the Maryland suburbs.

“Is it accurate, is it biased, in one way or another — the questions you should be asking but I don’t think we ever thought about it in a formulaic way,” adds Morgan Kellman, also a freshman from Maryland.

“You can use the formula basically for everything that you read,” says Schwartz. “If I hadn’t had this class, I probably would have been having a harder time.”

The ‘Urban Learner’

As students deconstruct and reconstruct articles and their arguments, faculty members at Trinity are doing the same for the term “urban learner,” typically used in K-12 settings — evaluating the term’s usefulness for college students, looking for biases and ultimately reframing it as a starting point for many of the conversations surrounding the new general education curriculum.

“We find the term a little limiting, quite frankly, but in the absence of anything else, we’re using it as a springboard to craft a new agenda for higher ed,” says Diane Forbes-Berthoud, the communication department chair. She and Carlota Ocampo, an associate professor of psychology and associate dean for the first-year experience at Trinity, are co-presenting a paper on their research of urban learners at the Caribbean Studies Association Conference in Colombia in May. In their surveys of what faculty think about the term, “The responses are mixed,” Forbes-Berthoud says. “Some people concur with the current definitions, which are persons who are at-risk, low-income.... Others have found it to be very limiting; some went so far to say racist. Some thought there was little difference between Trinity students and others.” “In many ways, we’re challenging this discourse.”

Data-Driven

An emphasis on developing the tools to build upon and challenge the dominant discourse is at the foundation of the new Trinity curriculum. “It’s important that you look for inferences that do not seem to be well-founded in data,” Saundra Oyewole, a professor of biology, tells students during her class on Critical Thinking About Disease. Between calculating body mass indexes (with one student ending up quite surprised and a bit disturbed to find out that using the index, her mother would be obese), Oyewole discusses the need to rigorously evaluate data and how it’s presented, to examine the scale used on any graph, and to consider the sample size.

Data on the success of Trinity’s curricular changes are only preliminary at this point. But faculty and administrators said they were pleased with what they describe as promising early results in critical reading and math — which, also new this fall, are taught at the lowest levels by specialists who offer

extra lab sessions. Child, the dean of the college, cites data showing that among students who placed into the developmental math track this fall, those who completed the course with a C- or better scored an average of 17.1 on the post-test — significant because 17 is the benchmark for placement into college-level math. (Pass rates in two developmental math courses were 65 and 45 percent, respectively.)

And, in reading, where half the 45 students placed in a developmental course passed and half didn't, about 90 percent showed gains on their post-test scores, and half of those students improved their scores by more than 50 percent, Child says.

In terms of other support services, the Academic Services Center has moved from a somewhat “tucked away” corner of Main Hall's third floor known, tellingly, as “the maze,” to an airy, open space in the library where stacks of periodicals used to live. Staff report increases in foot traffic — with use of the Writing Center up 200 to 300 percent this year.

The university is also in the midst of evaluating the cost of the curricular changes through a Lumina Foundation-funded project. “On a national level,” says Cristina Parsons, an associate professor of economics and formerly an associate dean, “the conversation regarding better access for all students has really revolved around the explicit cost to the student of an education” (\$18,250 in tuition at Trinity this year, with an average discount rate of 40 percent). “We want to have more universal access to higher education, so we've pretty much focused on how to best fund that education for students with modest means. But the other side of that question is these programs are staggeringly expensive to deliver.”

At the same time, faculty describe the new curriculum as just the most recent, and logical, step in the institution's evolution. “A lot of this is not rocket science. It's just that we never did it before,” says Ocampo, the associate dean for the first-year experience.

“What the founder of this place said,” San Juan added, “is ‘teach them what they need to know.’”