



OPINIONS

WHAT'S YOUR NUMBER?

Many colleges (and college students) are wondering: "Is the SAT all it is cracked up to be?"

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ARTS & CULTURE

CELEBRATING MILTON

Pandemonium reigns at a Williamsburg exhibit dedicated to "Paradise Lost."

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Experts Agree: Financial Troubles Ahead for Fordham Students

Students May Have Difficulty Obtaining Loans and Finding Jobs

By CASEY FELDMAN News Editor

"One just needs to look at the plunging stock markets around the globe... [to] realize that there are serious troubles ahead," said Shapoor Valli, associate professor of economics at Fordham College at Lincoln Center (FCLC).

Student Loans

PRIVATE:

"Criteria to qualify for [private] loans has become more stringent," said Peter Stace, vice president for enrollment at FCLC.

Interest rates are set to compensate the bank for the risk they take in lending money—specifically, the risk that someone will default on the loan, explained Stace.

"Banks right now are looking at an environment that is constrained and risky in which to make loans," Stace said.

According to Stace, "The way

the economy is going right now, it is more likely that people won't pay [the banks] back" and that interest rates will now be much higher.

Valli remains somewhat optimistic. "[Student loans] have been a very profitable part of bank operations... there is not as much risk [in student loans] for banks compared to other quarters of the financial market," he said.

The Financial Aid Office received an e-mail last week from Sallie Mae, which is one of the largest student-loan lenders in the country, that addressed the current financial tumult.

The e-mail stated, "Because of the continuing turmoil and uncertainty in the credit markets, Sallie Mae has made the difficult decision to tighten the underwriting on all our private student loan products...which will require applicants to meet higher credit standards. We believe that this action will mean lower approval rates for these loans...these decisions were not easy to make, but the current financial markets provide no other choice.

Stace addressed the fact that many of the banks that were lending to students previously are now in serious financial trouble—or don't even exist anymore. "Our list of [Fordham Preferred Lenders] is a different list now than it was several months ago," he said.

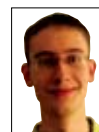
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CRAIG CALEFATE PHOTO ILLUSTRATION/THE OBSERVER

Inability to get jobs after graduation may make it more difficult for students to pay back loans.

Ways to Spend Seven Hundred Billion Dollars



ANDREW HUDSON

Opinions Editor

Seven hundred billion dollars is a helluva lot of money. Even in this age of "a trillion here, a trillion there, pretty soon we are talking real money," numbers like that strain the imagination.

Here's one I like better. In the long days before the bailout passed, as they debated and compromised and filled the bill with pork, news made the rounds that the Japanese space agency was interested in building a space elevator—a thin but impossibly strong cable stretching from the Earth's surface high out into orbit, a way to move materials out of our planet's atmosphere and gravity well at a fraction of current costs.

When the first bill failed in the House, I felt glad, giddy, almost eager. This is not to say that I thought the present crisis should not somehow be dealt with.

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Q & A WITH BLOGGER FUREZ HILTON

Campus celebrity Furez Hilton dishes about run-ins with fans, good lighting and the fab life after Fordham.

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NEWS

LIGHTING UP

Although the number of New York City smokers has decreased significantly, the number of FCLC students who smoke has remained the same. Why do college students continue to start smoking, despite the well-publicized health risks?

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Experts Say The Catholic Vote Is a Matter of Conscience, Not Conformity

By KATHRYN FEENEY Asst. News Editor

In recent years, the "Catholic vote" has become associated with the Republican party because of its stance on the issue of abortion.

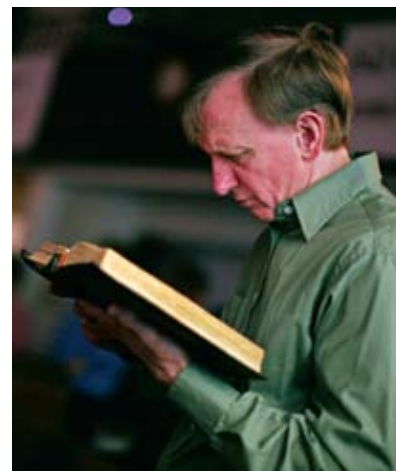
However, according to administrators and faculty at Fordham, neither one of the two prevailing political parties fully embodies the complete spectrum of Catholic values, so Catholics must utilize an informed conscience when deciding whom to vote for.

Rev. Robert R. Grimes, S.J., dean of Fordham College at Lincoln Center (FCLC), said that when he was growing up, Catholics were strongly

associated with the Democratic Party. Yet in the past 40 years, Grimes said that this association has diminished. "With Catholics, there used to be a sense that you had to stick together because everyone was out to get you."

Grimes also stated that when Ronald Reagan ran for president many Catholics were disenchanted with the country due to the Vietnam War, Nixon's resignation and the hostage crisis in the Middle East.

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JERRY HOLT/MCT

Catholics disagree on which party best represents religious teaching.

Poor Economy Will Affect Student Life

ECONOMY FROM PAGE 1

Fordham's official list of Preferred Lenders includes Access Group, Chase, Citibank and Bank of America.

"Loan programs are all in turmoil right now," said Stace, but he added that "Access Group has been a good performer" and that "Chase, Bank of America and Citibank are the largest and arguably among the soundest major banking players in the industry right now. They have a history of good rates and good service."

"The Wall Street community is fond of saying that 'past performance is no guarantee of future returns.' That said, a good track record is better than the alternative," Stace continued.

Stace encourages all students who were denied loans to seek help from the faculty in Financial Services.

"There may be banks they haven't approached or loan programs they haven't heard about," he said. Above all, he encourages students not to "feel that you are on your own. Get the benefit of folks who work with it every day—they are here to help."

Stace said that students should "be attentive to find the best terms they can get—not just rate, but when payback begins, up-front fees, co-sign requirements and possible rate reductions if certain conditions are met." He warns students not to just agree to the first terms put before them by a lender.

"We see cases where lenders propose alternative loans that bring the lender more revenue before they propose Stafford loans with lower rates that reduce the cost of borrowing for

the student," he said.

FEDERAL:

"Students are well advised to take advantage of the federal Stafford Loans for which they may be eligible before considering...private [loans]," Stace recommended.

However, "Federal support will now demand a higher credit score," said Janis Barry, associate professor of economics at FCLC. "Students are facing tightening credit conditions in the future."

Valli said he believes that "federal and state authorities will do their best to maintain the student loan market so it doesn't create an issue for borrowing or lending."

Pell Grants, which vary in amount and are awarded to low-income families, will still be awarded to the same families in need, according to Stace.

"The criteria to qualify for a Pell Grant are set, so that hasn't changed because the families' income [will still] fall below a certain level," he said.

Endowment and Scholarships

"There's not an institution in the country that's not going to be affected by the [poor economy]," said Stace. "The value of the endowment and [the value of] our investments are certainly affected by what's happening in the stock market."

He added that "the money that flows from that to support the university budget" may be affected over time. "The value of our endowment declines as the stock market declines," he stated.

"The rate at which endowment



CRAIG CALEFATE/THE OBSERVER

The lives of FCLC students may change in light of the poor economy.

funds create scholarship funds is a three-year average [period of time]," said Stace. "It [takes] three years before it has a significant impact on the funds that are available for students." Therefore, in order for a bad market and decreased endowment to have an effect on the amount of scholarship funds available for students, "it would have to be a three-year downturn," he stated. The current economic situation will only have a "small impact," according to Stace.

"Reduced value in the endowment would influence the making of [scholarship] awards to new recipients," said Stace. "It may mean fewer scholarships available, or the same number but a smaller award amount per recipient."

This year's freshman class is Fordham's largest ever, and Stace stated

that "the decision was made last spring to admit a class that was somewhat larger because...it would provide the resources [more tuition money] necessary to advance the academic profile...of the university."

Jobs

Karen Casingal, assistant director of career services, said that students have a better chance of finding a job in the weak economic climate if they start their job search early. "Positions are open now for next year—students need to start looking now. The job search process can last 3-6 months, so don't wait until graduation," she said.

"[Finance majors] may not be able to work at their dream company because that company may not exist anymore, but...you don't have to work

at an investment firm to use your finance degree," she said. She pointed out the fact that other companies, ranging from entertainment to fashion, need finance majors. "Finance is affected [by the economic downturn] and that affects everything else, but students will be able to find other opportunities," she stated.

"I don't think there is one specific industry that will suffer more than others, besides finance," Casingal stated. She said she believes that students planning to land jobs in education, communication or nonprofit work will have the least difficulty finding jobs.

"I hope by the time most of our students graduate, things will turn around and the economy will recover," said Valli. "We can't know what's going to happen, but given the circumstances and seeing what is happening in the market...and the massive [layoffs] in the market, the prospect [seems to be] the worst for College of Business Administration (CBA) students, but I hope I'm wrong."

Valli said that students with a liberal arts education now "have a better chance in the job market" because their skills are more varied compared to CBA students.

Casingal stressed the fact that students of all majors need to "look outside the box." She continued, "The jobs are there—students just need to be educated and know how to find them."

"This is a severe economic crisis, but like many other economic crises, it's going to pass," said Valli. "It may last longer than others that we have experienced, but eventually it will pass and...the economy will recover."



ELECTIONS 2008

Candidates Disagree on Future of Financial Aid

By KATHRYN FEENEY
Asst. News Editor

While both presidential candidates have expressed concern over the increasing number of students who cannot pay for college, their plans for remedying the situation differ greatly. Although Fordham experts disagree on which approach is best, there seems to be a consensus that the issue of the decreasing affordability of higher education must be addressed in order to preserve America's competitiveness in a global market.

According to The College Board, 75 percent of undergraduate students received some form of financial aid in the 2006-2007 school year.

Peter Stace, vice president for enrollment at Fordham, stated that students are facing high interest rates on loans right now because of the state of the economy. He commented that some families who qualified for a loan last year will not be able to get a loan this year due to overall tightening credit standards. He added that state government programs meant to help families pay have not kept up with the rising costs of higher education, and therefore students have to look elsewhere to fund their educations.

An important element of federal financial aid is the Pell Grant, which is a federal need-based grant provided to low-income students, according to the Web site for the U.S. Department of Education. The maximum amount that can be granted to a student in the form of a Pell Grant currently is \$4,050 per year.

According to Sen. Barack Obama's, Ill.-Dem., College Affordability Plan, he plans to increase this maximum to \$5,100 per year immediately, and over the course of the

next few years, to \$5,400. This is to ensure that "the award keeps pace with the rising cost of college inflation," according to his campaign Web site.

Although Sen. John McCain's, Ariz.-Rep., campaign Web site does not specifically mention Pell Grants, an Associated Press article on this issue stated that he would "consider raising Pell awards if there is a pressing need and the budget allows."

"Young U.S. students are no longer competing with one another; they are competing with a highly educated global elite."

— JANIS BARRY, associate professor of economics

The biggest change that Obama said he will institute, according to his official campaign Web site, is the American Opportunity Tax Credit. This would provide a student with \$4,000 toward his or her higher education in exchange for 100 hours of community service. According to the Web site, this amount would cover "two-thirds the cost of tuition at the average public college or university and make community college tuition completely free for most students." Statistics provided by College Board prove this statement true; in the 2007-2008 year, the average cost of a four-year public school was \$6,185.

According to the Associated Press article, the McCain campaign criti-

cizes this aspect of the Obama campaign for the increase in government spending that it would necessitate. The Obama plan would require approximately \$10 billion in tax credits. The Obama campaign states that this extra money would come from cutting other federal programs, such as eliminating the HOPE and Learning Lifetime tax credits, which currently provides students with a maximum of \$2,000 per year.

Although McCain does not propose a specific plan to provide students with access to more aid, the official Web site for the McCain campaign expresses the candidate's desire to "simplify federal financial aid" by "consolidating federal programs," thereby allowing students to "better understand their eligibility for aid."

Janis Barry, associate professor of economics at Fordham, said that she sees Obama's tax credit plan as a "win-win situation." She stated that Obama "predicated on the idea that voluntary service can produce real value that the government would have to pay for anyway." By allowing students to participate in such a program, Barry said that she feels that the government is both rewarding effort and providing incentive for students.

"We will end up with a more educated labor force, which is something that benefits all of us," Barry stated. "We make it back big time when these students graduate and start paying taxes. [The Obama plan] is cost effective and highly desirable," she said. "It more than pays for itself."

James Scalera, FCRH '09 and secretary of the Fordham Republicans, said that he finds this aspect of Obama's plan "idealistic." Considering the fact that many students either take longer than expected to finish

college or drop out all together, he said that he doesn't "support taxing more in order to provide every student who could potentially go to college with unconditional aid."

Robert Isabella, FCLC '09, echoed Scalera's sentiments and stated that he believes Obama's plan is unfavorable because "billions of dollars in government spending will only serve to drive up the price of college even further." In the end, Isabella said that he believes pouring money into education in this way will actually have the opposite effect than intended.

Scalera stated that he would like to see more aid awarded based on merit, if any, and both he and Isabella expressed support for McCain's policy in the fact that it would not require spending any more federal money.

Stace cited a different part of Obama's plan that he said he considered risky. Currently, there are two ways to borrow money from the federal government: the Direct Loan system, which is funded publicly, and the Federal Family Education Loan Program (FFELP), which is funded privately.

Obama has proposed to eliminate FFELP, leaving only the Direct Loan program to lend money. Stace stated that the reason these programs are up to the standard that they are now is because of the competition between them. Therefore, he said that he fears that without this competition, accountability will decrease.

Despite this hesitancy, Stace noted the fact that Obama's more detailed plans may be a sign of a greater commitment to making education more affordable than McCain's more general approach. "There are a lot of important issues right now, and how much time each candidate spends on each of these issues shows how high

of a priority he feels it is."

Johanna Francis, assistant professor of economics at Fordham, echoed Stace's sentiments and said that, "It seems pretty clear that education would be a priority in an Obama administration, and [it's] not clear whether that would be the case in a McCain administration."

Francis went on to point out "big picture issues" that could affect either candidates' actions. "If federal taxes were reduced for most families, then that tax saving might outweigh anything offered in federal tax credits. Similarly, there are a lot of public education issues at the state level, such as a need to provide more funding for public education... [that] would require raising taxes at the state level. It's difficult to disentangle all of the issues to figure out which government plan would provide the most money for higher education."

Barry criticized McCain, stating that his is a "do-nothing policy" that is "short-sighted in a 21st-century economy." She cited the fact that only one quarter of the U.S. population has a four-year college degree right now, which, in her opinion, is not enough to keep us globally competitive.

Stace also expressed concern over America's place in the global market, stating that our country is falling behind the rest of the world in the education of our population. "A lot of people are excluded from education because of financial reasons," he said.

Barry stated, "Young U.S. students are no longer competing with one another; they are competing with a highly educated global elite. This isn't a question of if [we do something about the financial aid situation]." She said, "It is a question of must."