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**Testimony of
Shoshanna Silverberg
The Young Women's Leadership Program
Before the Higher Education and Employment Advancement Committee
Tuesday, February 10, 2009**

In Support of:

S. B. 73, An Act Concerning the Solicitation of Credit Cards to College Students and the Management of Student Credit Card Debt

H.B. 5119, AAC Institutions of Higher Education and the Solicitation of Credit Cards to College Students

Distinguished Chairs, Vice Chairs and Members of the committee, my name is Shoshanna Silverberg and I am a steering committee member of the Permanent Commission on the Status of Women's Young Women's Leadership Program (YWLP). I speak in favor today of **S. B. 73, An Act Concerning the Solicitation of Credit Cards to College Students and the Management of Student Credit Card Debt** and **H.B. 5119, AAC Institutions of Higher Education and the Solicitation of Credit Cards to College Students** on behalf of the YWLP, which is dedicated to understanding and voicing the needs of Connecticut's young women ages 18-35.

Studies have shown that in recent years, 47% of women in the United States ages 21 to 34 carry unpaid credit card balances at an average of \$2000. If we consider that this statistic is most likely being continuously compounded by our current economic situation, it is a safe presumption that the average amount of debt carried by those ages 21-34 just two years, one year, or even six months ago has swelled dramatically in the past months, and will continue to inflate at a rapid pace in the coming months, and potentially years.

As the cost of living has been rapidly increasing, more and more Americans, particularly those without sizeable or steady income, such as students, are using credit cards to cover the costs of staples such as food, utilities and many of the expenses associated with receiving higher education. In fact, a national survey of college students found that 23% use credit cards to pay for tuition and fees and 52% for textbooks and school supplies. This means that in order for students to graduate from college, many must absorb an increasingly inflated price of debt, which inhibits their ability to pay off educational debt, limits their ability to succeed at *ever* paying off their debt, obtaining satisfactory credit ratings, acquiring property and providing for their families' essential needs down the line.

When credit card companies have unfettered access on college campuses to students who, due to a lack of financial education, are often quite ignorant about how the concept of 'credit' works, these companies are being enabled to prey on a particularly vulnerable

segment of our population. I can personally attest to how trying it is ‘starting out’ in the world professionally amidst so much chaos and fiscal disparity, but to be saddled with debt that mounts every day – with a Bachelor’s and a Master’s degree mind you – and know that credit card companies are not only able to recruit customers on college campuses, but that institutions of higher learning are also allowed to furnish these companies with the names of their students and alumni, is both horrifying and frustrating.

S.B. 73 and H.B. 5119 address these issues by prohibiting card issuers from soliciting students on college campuses, schools from selling names of potential customers and parents from being liable for debt incurred by their adult children. Additionally S.B. 73 requires colleges and universities to provide students with debt education materials. In conclusion, I urge you to consider passage of S.B. 73 and H.B. 5119 as a strategy for improving the financial literacy of our state’s student population, and thank the committee again for hearing testimony on this incredibly important issue.