

TEMPLE TIMES

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Declining state appropriation necessitates further cuts

Temple takes additional \$11.4 million hit in Pa. budget plan announced last week

By Ray Betzner
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In his budget address last Wednesday, Gov. Ed Rendell proposed a 6 percent cut in the commonwealth appropriation to the state-related universities. For Temple University, this would represent a loss of \$11.4 million in the university's commonwealth appropriation for the fiscal year that starts in July.

The proposed reduction comes on top of the cuts that were made to the current year's operating budget.

"As a result, Temple will absorb a \$22.8 million cut, this year and next, from its original FY 2009 commonwealth appropriation," explained Temple President Ann Weaver Hart. "That kind of reduction is substantial and will have a lasting impact on the university."

"Temple is a responsible partner with the commonwealth, providing access to excellence and serving the educational and research needs of Pennsylvania."

Ann Weaver Hart
President, Temple University

The drop in state support follows a historic pattern that has become particularly noticeable in recent years. Next year's proposed appropriation of \$178.5 million is lower (in non-inflation adjusted dollars) than the \$179 million appropriation the university received in the 2001-2002 fiscal year.

"This move continues a trend of declining state support that really started more than 30 years ago. In 1972, for example, two-thirds of the university's budget came from the state. Last year, that number was less

than 25 percent," said the president.

Temple has worked hard to keep tuition increases as low as possible. In fact, the percentage of tuition increases in the last decade has been lower than those at Drexel, Rutgers, the University of Pittsburgh and Penn State.

Rendell has been hoping to use federal stimulus money to underwrite Pennsylvania's contributions to state-related colleges. It is now unclear if Congress will approve the federal money for higher education.

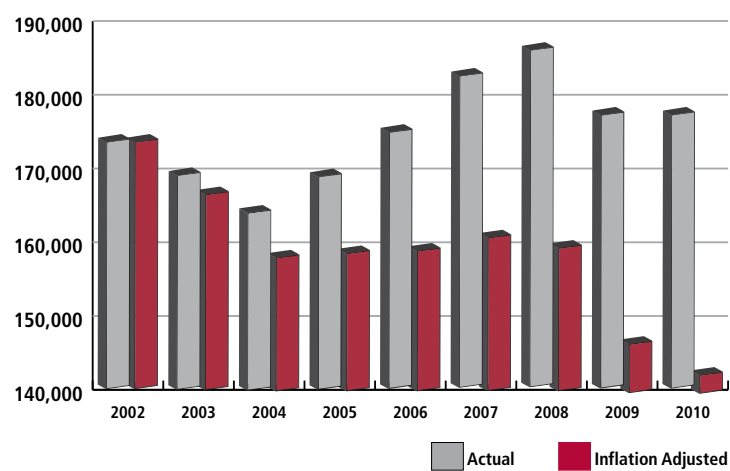
Earlier this week, the governor warned that if the federal government's stimulus package is adopted in the form approved by the Senate, aid to the four state-related colleges could shrink by an additional \$100 million.

Speaking during a press conference, the governor said the next round of cuts, "would bring us into the category of pretty severe pain."

The next step for the university is meeting with the House Appropriations Committee in early March to make the case for additional support.

"I will vigorously advocate on behalf of Temple with the governor

Buying Power of Commonwealth Appropriations



and General Assembly as the budget process unfolds," said Hart. "We have a very positive story to tell regarding our steps to enact tighter spending controls and strategically manage our resources."

In January, the president announced that salaries for all non-collective bargaining employees will remain at current levels for the

coming fiscal year. In addition, she announced a comprehensive review to cut 5 percent, or \$40 million, from the university's operating budget in the coming fiscal year.

"Temple is a responsible partner with the commonwealth, providing access to excellence and serving the educational and research needs of Pennsylvania," said the president. ♦

The FAQs about Temple's financial future

The ongoing economic downturn has had a ripple effect throughout the nation, the state and higher education as a whole, and Temple is not immune to the situation. Here are answers to some frequently asked questions about the impact of the declining economy on the university.

What are some of the factors that are affecting Temple's fiscal future?

A: Both the U.S. and global economies are in deep recession. Financial experts differ on projecting the depth and length of the downturn, but what is clear is that the near-term economic picture is not promising. This is not business as usual.

What about the state's economic health? How does this factor into Temple's future?

A: As the Pennsylvania economy slows, Temple feels the impact in two important ways. First, a decline in state tax revenues means a decrease in state support for schools like Temple. Second, even though a Temple education remains a great value, it is possible that students and families in Pennsylvania will find it more difficult to pay for tuition.

Let's break that down, starting

with the state picture. What has happened so far?

A: As a state-related institution, Temple's major sources of revenue are state support and tuition dollars. During the current fiscal year (FY08-09), Temple's appropriation from the state was cut by \$11.4 million.

Is this unusual?

A: State support for higher education has been declining in recent years, as a total of Temple's overall budget. When you include the current fiscal year, Temple's appropriation has been cut in five of the last 10 annual commonwealth budgets. In addition, next year's proposed appropriation of \$178.5 million is lower (in non-inflation adjusted dollars) than the \$179 million appropriation the university received in the 2001-2002 fiscal year.

Did the governor restore the \$11.4 million when he made his budget proposal last week?

A: No. Instead, he plans to extend the cut for another year.

So the \$11.4 million reduction is included in the governor's budget proposal for the next fiscal year too?

A: Yes. This means that Temple must absorb \$22.8 million in cuts from its commonwealth appropriation for this year and next.

What would it mean if we raised tuition next year to make up for the cuts in state support?

A: Tuition would have to go up by 3 percent just to compensate for the loss of state revenues. That does not include covering the growing costs of doing business and paying for fixed operating costs, like utilities, fuel and union contracts.

Won't the governor's proposal to help students pay for tuition make a difference for Temple students?

A: The governor's proposal creates a new direct tuition subsidy funded by tax revenue generated by legalizing video poker. Community colleges and State System of Higher Education schools (like West Chester, Kutztown and Millersville universities) are the only institutions whose students would be eligible for the funding. Students at state-related schools, which include Temple, Penn State University, the University of Pittsburgh and Lincoln University, are excluded from this potential new benefit.



Photo by Joseph V. Labolito/Temple University

If state support is down, won't the federal government step in? Isn't there money for higher education in President Obama's stimulus plan?

A: The federal rescue plan has yet to get final approval. And while elements continue to change, what has not changed is that funds for higher education have largely been directed to new construction. Federal money approved for new construction can't be used for operating expenses.

Many schools rely on their endowment to pay for fixed costs. Can Temple's current campaign make up for the loss in state appropriations?

A: As President Ann Weaver Hart said in her Jan. 15 letter to the community (see page 2), "The university's current fund-raising campaign, Access to Excellence: The 125th Anniversary Campaign for Temple, has brought more than \$325 million in new resources to the university. A large portion of these funds consists of pledges that will be paid over time and are restricted to capital projects, endowment and other uses and do not represent significant budget relief in the short term."

Q&A continued on page 3

President Hart outlines economic challenges

In a Jan. 15 letter to the university community, President Ann Weaver Hart outlined the economic challenges facing Temple and how the university is responding. Following is her letter in its entirety.

Dear members of the Temple University community:

I am acutely aware that Temple University's financial health and stability are important factors in each of your lives. As the national recession continues, universities across the country are grappling with budget shortfalls, cutting costs by scaling back programs and retooling operations in anticipation of continued pressures on their finances.

Temple's Board of Trustees and administrative leadership have been working extremely hard since the first signs of the crisis to address the impact on the university. In this letter, I will summarize the steps we have taken thus far, as well as other actions the university is taking. The guiding principles of these efforts continue to be: 1) safeguarding the interests of Temple's students and academic community by maintaining the quality of programs; 2) raising productivity, improving efficiency and eliminating redundancy throughout the university; and 3) increasing and diversifying Temple's revenue streams.



Ann Weaver Hart

Temple University's education and general budget for FY08-09 totaled \$775 million. (This figure excludes the budget for the Temple University Health System.) The university's annual appropriation from the Commonwealth of Pennsylvania accounted for \$190 million of Temple's revenue. The commonwealth has already reduced the appropriation twice, by a total of \$11.4 million, since September due to significant shortfalls in state tax revenues. Gov. Rendell has indicated that tax revenues are lower than earlier projections, which is a strong indicator that additional cuts to the commonwealth budget — and Temple's appropriation — will be made before the end of the current fiscal year.

To absorb this sudden drop in revenue, senior vice president, chief financial officer and treasurer Tony Wagner and I worked with senior administrators to adjust Temple's FY 08-09 spending plan. The university initiated a hiring freeze, suspended all non-essential out-of-state travel, cancelled a 2 percent inflationary increase for non-compensation related costs, and reduced other spending throughout the university. These measures resulted in savings of \$11.6 million.

Temple's partnership with the Commonwealth of Pennsylvania is absolutely central to the university's educational mission; since 2002 alone, however, reductions in Temple's state appropriation and inflation account for a \$35 million loss in real buying power. Temple faces a critical task in making its case to the governor and General Assembly, and it is reasonable to expect further reductions as tax revenues continue to fall.

For the remainder of this fiscal year, existing construction projects continue on track, including those for the Boyer College of Music and Dance and the School of Medicine, and the renovation of the Baptist Temple. The move-in process for the Fox School of Business' Alter Hall and the Tyler School of Art's new home on the Main Campus is also on schedule. Fund raising for these and other capital projects is not complete, however, and additional private support will be critical to finishing the work. Other programs and projects that have sufficient grant or private philanthropic support and are essential to Temple's core academic mission will continue, including certain new ventures, but these too will be analyzed for all feasible cost savings. Many events are being scaled back, including aspects of the commemoration of Temple's 125th anniversary.

There is no question that Temple needs to diversify and increase its revenue streams for its future financial health. The university's current fund-raising campaign, Access to Excellence: The 125th Anniversary Campaign for Temple, has brought more than \$325 million in new resources to the university. A large portion of these funds consists of pledges that will be paid over time and are restricted to capital projects, endowment and other uses and do not represent significant budget relief in the short term. Endowment growth is also critical, but will neither occur quickly enough nor generate sufficient payouts to provide budget relief in this immediate crisis. Temple must also be sensitive to the burdens students are already bearing in the cost of tuition, debt loads and growing difficulties in qualifying for loans.

The spending reduction measures thus far have been helpful in preserving the level and quality of the university's operations. However, there is no indication as to when the



Photo by Betsy Manning/Temple University

economic crisis will abate or how long it will be before a recovery takes full effect. Additional steps must be taken to prepare for the effects of the recession continuing into the next fiscal year. Toward this end, Temple is initiating the following actions:

Effective immediately, salaries for all non-collective bargaining employees will remain at current levels throughout FY09-10. Revenue-based, clinical faculty salaries based on incentive pay programs will not be affected. The university will initiate discussions related to wage and compensation costs with all unions with which it has existing collective bargaining agreements.

Tony Wagner, senior vice president, chief financial officer and treasurer, and Lisa Staiano-Coico, provost and senior vice president for Academic Affairs, will oversee a comprehensive review to prepare a budget for FY09-10 reducing recurring operating costs by 5 percent, for a total reduction of approximately \$40 million. This will be a collaborative exercise, guided by the framework of the strategic academic plan and involving all administrative and academic units.

These actions will require creativity as well as sacrifice. They will only be effective if the entire Temple community remains focused on the commitment to access and excellence as more than just a theme or

slogan, but as the core value that drives all of the university's activities. Temple University must provide access to an intellectual and creative space where academically talented, highly motivated and prepared students can achieve excellence, regardless of their status or station in life. Its research enterprise must grow as a critical source of innovation and knowledge creation. The university must also serve the local community, the city, the state and, indeed,

more important and its task more urgent than in times of prosperity. Institutions like Temple must be a source of ideas and leadership to build a stronger, more stable global economy.

We have created a web site that will provide updates on the financial planning process, as well as links to articles and reports that demonstrate how other universities are addressing economic conditions, including other state-related institutions in Pennsylvania. The web site is located at www.temple.edu/newsroom/economy, and regular updates to the site will be highlighted in the Temple Today e-mail.

I deeply appreciate the efforts of each member of the Temple community as we work through these difficult times to forge a brighter future for the university and its many stakeholders. I am grateful as well to Temple's alumni and friends who continue to invest in the future of the university. As we mark the 125th anniversary of Temple University, we can continue to take pride in what we have achieved and what we will accomplish in the years ahead.

Sincerely,
Ann Weaver Hart
President

"...Difficult economic times make Temple's mission even more important and its task more urgent... Temple must be a source of ideas and leadership to build a stronger, more stable global economy."

Ann Weaver Hart
Temple University President

the global society by providing intellectual and moral leadership.

The current economic environment makes these mandates and Temple's long-term strategic goals more difficult to achieve. I would argue also that difficult economic times make Temple's mission even

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Stimulus package will not improve operating budget

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The economic downturn has hit higher education as hard as other sectors, depleting endowments and straining budgets for students and their families. In the past several months, most universities and colleges have had to take some form of drastic action, including shutting down programs, capping enrollment and freezing salaries (see "Higher-ed cost cutting measures," on page 4).

With the White House proposing a rescue plan of more than \$800 billion, it is reasonable to ask: Will the federal stimulus package bring relief to Temple?

The House version of the bill, which passed on Jan. 28, includes \$6 billion for college and university facilities. The Senate version, passed on Tuesday, contains no such fund-



Wagner

ing. Further, the Senate version directs much less of the \$39 billion "stabilization" fund, which was intended to help states restore education budgets, to higher education. Both sides support an increase to the maximum amount for Pell grants that would provide additional financial aid directly to students.

The bottom line is that regardless of what the final version contains, Temple's bottom line will not improve.

"No matter what the end result, no federal money will go to Temple's operating budget, which relies on tuition revenue and the state appropriation," said Tony Wagner, Temple University's senior vice president, chief financial officer and treasurer.

The lack of federal help comes on top of declines in the state appropriation. Last week, the state locked in the expected \$11.4 million rescission to this year's appropriation and extended it through next year for a total cut of \$22.8 million.

To reconcile the cuts to the state appropriation and keep tuition at affordable levels, the university is conducting a comprehensive review to cut 5 percent, or \$40 million, from the operating budget in the coming fiscal year. Temple's operating budget is used to pay recurring expenses, 70 percent of which are salaries and benefits.

Even if the state or the federal government does end up directing money to Temple, that money would most likely be in the form of capital funding. A capital budget, unlike an operating budget, covers

one-time only expenses, like the construction of a new building. Such funding cannot be used for recurring costs such as salaries or benefits.

Further, federal funds would be distributed through the state and at this time the state's plans call for the stimulus money to be allocated to State System of Higher Education schools, such as West Chester and Bloomsburg universities, not state-related institutions such as Temple or Penn State.

"There might end up being a process through which we can apply to the state for federal dollars," said Wagner. "In the meantime, we will vigorously lobby for inclusion in funding opportunities for higher education, including the tuition subsidy program that has been proposed for the state schools." ♦

Students at state-relateds left out of Pa. aid program

By Vaughn Shinkus
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Students at Pennsylvania's state-related institutions are reacting to the news that they have been excluded from a program that would direct more than \$500 million in tax revenue from video poker profits to Pennsylvania college students in the form of grants.

Gov. Edward Rendell's 2010 budget proposal announced last week would provide up to \$7,600 in need-based financial aid to cover costs for tuition, books, fees, and room and board for Pennsylvania students whose family income is less than \$100,000. However, under the current proposal, Temple students, as well as their counterparts at the other state-related universities

— Penn State, Pittsburgh and Lincoln Universities — are not eligible to receive these funds. The tuition support would be available only to those attending the state's community colleges or the 14 state-run institutions that are part of the Pennsylvania State System of Higher Education.

According to government officials, the state-related schools were excluded because the state has less influence over how they are managed. Although Temple and its state-related partners receive an annual appropriation from the commonwealth, their budgets are independently set and not directly controlled by the state.

The proposal has raised concern among members of the Temple student body, who believe they are

being unfairly slighted, and at a time when the university is tightening its belt due to reductions in its state appropriation.

"I was surprised to learn Temple would not be included," said Temple Student Government president Nadine Mompremier. "How can they limit support to the university but not give us any help?"

Mompremier believes that if the funds from the legalized video poker machines are not sufficient to support the state-related schools, the state should seek alternative funding sources. Through Student Government, Mompremier is working with student leaders at the other state-related institutions to raise awareness among students at each of the campuses. Earlier this week, several dozen students held a

rally at Penn State's University Park campus. A similar event is now being planned for Temple.

"We want our fellow students to know that this is an issue they should be concerned about," said Mompremier. "We have to let our leaders know that this is something that we want changed."

Temple president Ann Weaver Hart has said that she will work with the other state-related university presidents to advocate strongly for the university's inclusion in the final program.

"In these difficult times, students need all the help they can get to keep their costs as low as possible," said Hart. "Temple's students deserve the same opportunities for support as those attending other schools in the commonwealth." ♦

Temple community submits cost-saving ideas

What would you do to save Temple University some money?

How about: "Install motion activated lights in common areas, especially bathrooms, lounges and classrooms, so that lights automatically go off when no one is in there."

Or: "I would like to suggest heating some rooms or whole buildings with geothermal energy."

And: "Cut back on landscaping that needs to be constantly replaced. Focus on planting seasonal foliage that can last for months, not weeks."

Not to mention: "Eliminate the need to hand in essays on paper." And if you do need to print the essays, "Require duplex printing on all handouts, tests and other papers, and allow students to submit duplex printed papers to save paper."

Those are just a few of more than 1,250 suggestions that have been received so far from students and employees at Temple, as part of the university's desire to cut costs and improve efficiencies during the current recession.

"There is a lot of creativity out there," said Deborah Hartnett, the vice president of human resources, who is chairing the Suggestion Box effort.

"People really want to make a difference and help Temple save money."

Paging through the lists of suggestions shows that there is no end to the imaginations of Temple's community when it comes to cutting costs and improving efficiency. Of course, some are simply impractical, like the person who suggested making the university free for everyone and not charging tuition. But there are many more that warrant investigation.

Some of the initiatives — like encouraging everyone to turn off lights when they leave a room — are simple and are already being implemented. Other ideas — such as using solar, geothermal or wind energy to power Temple's buildings — are clearly more complex and will need deeper study.

The suggestions have been reviewed and sorted into several categories, including books and programmatic suggestions that deal with coursework; working with vendors like Sodexo, the Campus Bookstore and suppliers; energy usage and savings; facilities; paper and office equipment usage; and athletics and business processes.

"We need to sort through the duplicates, weed out the ones that



Photo courtesy of iStockphoto

are completely impractical and build a list of ideas that we can recommend to the president," said Hartnett.

The Suggestion Box exercise gained greater urgency with the governor's announcement last week that Temple will continue to have \$11.4 million in state appropriations cut from its budget in the coming fiscal year. Taken with the cuts from the current fiscal year, Temple has been hit with \$22.8 million in reductions.

"With the economy continuing to slide, it is clear that everyone needs

to be involved in helping Temple be as cost conscious and efficient as possible," Hartnett said.

To access the suggestion box, log in to the TUportal at <http://tuportal.temple.edu>. Suggestions can also be made by campus mail to Hartnett in Human Resources, room 201 in the University Services Building (USB), TU zip 083-47.

All ideas relating to cost-savings and/or improving efficiency are welcome. ♦

Fiscal future FAQ

Q&A from page 1

So, if state support is dropping and neither the federal stimulus plan nor endowment revenues will support short-term operating budgets, what is the plan for Temple for the coming fiscal year?

A: President Hart has outlined a plan for the coming year that features two key elements:

- Holding salaries for all non-collective bargaining employees at current levels. Revenue-based, clinical faculty salaries based on incentive pay programs will not be affected. The university will initiate discussions related to wage and compensation costs with all unions with which it has existing collective bargaining agreements.
- Conducting a comprehensive institutional review to prepare a budget for FY09-10 that reduces recurring operating costs by 5 percent, for a total reduction of approximately \$40 million.

Why cut \$40 million from next year's budget when state support was reduced by \$11.4 million for next year?

A: Remember that Temple must absorb \$22.8 million in cuts from its commonwealth appropriation this year and next. Beyond that, there is no sign the economic downturn will improve in the next several months. It is essential that Temple keep tuition increases as low as possible so that we can stay true to our mission of providing access to excellence. The 5 percent reduction to Temple's FY09-10 budget will protect against:

- Continued downturns in the economy and the myriad of ways that impacts Temple's finances.
- Additional commonwealth cuts, such as this year's mid-year cut, if tax revenues continue to fall.
- The possibility that fall enrollment (and tuition income) could be down given the very high level of debt being carried by Temple students and the increased difficulty for them to gain access to credit.
- The impact of falling endowment income.
- The impact of falling research activity and funding.
- The exposure Temple University has to the financial weakness of the Temple University Health System.
- Already mandated increases in costs from fixed contracts and fixed costs.

What's the timeframe for the planning process for next year's budget?

A: A comprehensive budget planning process is currently underway and will likely result in an approved budget by the university's Board of Trustees in June. ♦

Higher-ed cost-cutting measures cutting ever deeper

By Hillel Hoffman
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As the cascading effects of the global economic crisis continue to ripple through the world of higher education, college and universities across the nation are responding with increasingly aggressive cost-cutting measures.

Faced with the prospect of sharp cuts in state support and shrinking endowments, many institutions began to trim budgets and implement hiring, promotion, construction and travel freezes last fall. Now that state budgets, endowment losses and other challenges are beginning to come into sharper focus, colleges and universities nationwide have been announcing deeper and more painful cuts, including layoffs, furloughs and the closure of programs and facilities.

Staff reductions have been reported at a wide range of institutions in the first week of February, including the University of Arizona (600 positions), Clark Atlanta University (100), Dartmouth College (60) and Charles Drew University of Medicine and Science (35 to 40).

Other institutions are forcing employees to take unpaid leave to avoid layoffs. Last week, Utah State University announced a mandatory five-day, spring-break furlough for all full and part-time employees. At Arizona State University, where 550 jobs will be eliminated, employees have been ordered to take 15 days of unpaid leave by June 30, 2009, according to an *Arizona Republic* report on Feb. 5.

Other recent painful cost-cutting measures reported at colleges and universities across the nation include the transfer of management of radio stations (Miami University of Ohio); university press layoffs or possible closures (the State

University of New York and Utah State University, respectively); the possible termination of a big band jazz ensemble (Bowdoin College) and even the potential shuttering of an iconic art museum (Brandeis University).

Over the past several months, many other institutions have announced layoffs, cuts, and other measures. Below is a summary of measures universities have taken in response to the economic crisis:

- **Boston University:** With a growing demand for student aid and a falling endowment, the university's president has announced a cost-cutting program that includes eliminating redundancy in administrative programs, a hiring freeze and elimination of raises for some administrators. Additional actions are possible.
- **Carnegie Mellon University:** University officials plan to freeze wages of its more than 4,700 employees and review all capital improvement projects at the Pittsburgh school.
- **Colorado State University:** The university's interim president says staff cuts will be needed this year to deal with funding cuts from the state. It is too early to say how many layoffs might be necessary.
- **Penn State:** Pennsylvania State University President Graham Spanier said the university faces the possibility of layoffs and that vacant staff positions will likely remain unfilled.
- **University of Georgia:** The university has reduced the hours of its library and cut overtime for campus police, in addition to instituting hiring freezes for both faculty and employees.
- **University of Pennsylvania:**



Photo courtesy of iStockphoto

Selective hiring freezes are among the cost-cutting measures announced in December by University of Pennsylvania President Amy Gutmann. The cost-cutting strategy, which will remain in effect for 18 months, calls for: eliminating all job reclassifications and salary adjustments; discontinuing recruitment bonuses and discretionary bonuses; filling open staff positions only if they are considered essential; and reducing the use of temporary employees.

- **University of Washington:** The Seattle-based university has taken the drastic step of closing its doors to new students who want to start classes this spring. The move is in response to budget cuts and overenrollment — both driven by the ailing economy.
- **Virginia Commonwealth University:** State budget reductions could result in up to 54 layoffs at VCU under the cost-

cutting contingency plans ordered by Gov. Timothy M. Kaine. A 15 percent reduction might mean the elimination of 238 positions for the 2010 fiscal year, which begins next July. As many as 54 of those jobs could come through layoffs, with the remainder through attrition or hiring delays. VCU is also anticipating increases in class size, replacing full-time faculty with adjunct instructors, and reductions in the number and variety of course offerings.

- **Yale University:** Yale has suffered a loss of about \$6 billion from its endowment since June 30, 2008, creating a shortfall of \$100-million in next year's budget. Yale will cut some nonfaculty jobs and reduce the size of salary increases, among other budget measures, to make up for the substantial loss. ♦

Sobering advice for tough times

Fox professor cautions that saving more, reducing debt and working longer before retirement are the new economic necessities.

By Lori Bookbinder
Special to the *Temple Times*

Be prepared to save more, reduce debt and potentially work longer to reach your retirement savings goals. That was the sobering message sent by Jonathan Scott, associate professor of finance at Temple University's Fox School of Business, last month at WHY? studios.

Scott made the remarks to more than 50 supporters of the PBS affiliate at an event titled "Safe Money in Tough Times." He was joined by Jonathan Pond, financial expert and regular PBS contributor, and Michael Gombola, professor and chair of finance at the LeBow College of Business at Drexel University. The speakers addressed questions on the mind of many during these challenging economic

times, including: Should I pull my money out of the market? How can I be sure to have enough money when I retire? Will I have enough to send my children to college?

Scott shared some of these concerns.

"I am more pessimistic than many people, including the other speakers at the event, about the likely returns from the stock market in the future," he said. "I think they'll be lower than they have been, which is why we will need to save more and work longer."

Scott discussed the risks of being an investor and the importance of understanding sales costs when investing in mutual funds for retirement. He also spoke about issues in the macroeconomy and the likely outlook for much lower equity returns, not the 10-12 percent that is often referred to based on historical performance.

Two former students of Scott's, both 2008 M.B.A. graduates, said the event provided them with great insight into how to sustain themselves during these tough economic times.

"Dr. Scott's talk reinforced my commitment to save more and spend



Photo by Joseph V. Labolito/Temple University

Jonathan Scott, associate professor of finance in the Fox School of Business.

less," said Nancy-Jo Bishop, who works in multi-channel marketing at Merck Pharmaceuticals. "His classes were always relevant to the news of the day and helped make me aware about what I should know about the stock market. This event accomplished the same thing."

Carole Lynn Wishneski, involved in global medical affairs for Wyeth Pharmaceuticals, also thought the event was particularly relevant and

timely.

"The information Dr. Scott provided about refinancing your mortgage, getting your debt under control and effectively managing your investments was extremely helpful," she said.

"I didn't expect such a large crowd," Dr. Scott said, "but obviously people are very nervous. It was a sobering conversation, but one that was important to have." ♦

IntheMedia

Jan. 28: *Wall Street Journal's* "Health Blog." Tough economic times have made it harder for customers to get a generic drug used to treat high blood pressure. Two major suppliers, Novartis & KV Pharmaceutical, ran into financial trouble, leading to the shortage of Toprol XL. That has forced patients to switch to similar drugs, causing insurance headaches, according to **Alfred Bove**, a cardiologist at Temple's School of Medicine and president-elect of the American College of Cardiology. "There are a lot of people complaining that insurers won't pay," said Bove.

Jan. 28: *New York Times, International Herald Tribune.* Starbucks announced that it would close 300 stores, lay off 700 employees who don't work in stores and reduce the number of new company-owned stores it plans to open this year. Some Starbucks watchers say the chain's problems started well before the economic crisis caused consumer spending to shrivel. "Starbucks lost its cultural cache, its value, before everyone became conscious of the economic fallout," said **Bryant Simon**, a professor of history and American studies at Temple who is publishing a book about Starbucks this fall.

Jan. 30: *Chronicle of Higher Education.* Although low sales, high numbers of returns and budget cuts have hit many university presses hard, some are adapting. "I strongly believe that you can't panic in hard times," said **Alex Holzman**, director of Temple University Press and president of the Association of American University Presses. "You still have to spend money. You just have to spend it wisely." Temple, for instance, now sends out more electronic catalogs, which are cheaper than the paper-and-ink kind.

Feb. 3: *WHYY-FM.* Weight experts fear that with the economy going down, weight will be going up. **Gary Foster**, director of Temple's Center for Obesity Research and Education, says that people crave pleasurable foods in stressful situations, and this behavior becomes habitual over time: "The more often you couple this pleasurable food with this stressful event the more they seem absolutely linked. So every time you have a stressful event you then just like Pavlov's bell go in search of the pleasurable food."

Feb. 4: *Philadelphia Inquirer.* Research suggests that unemployment is emotionally hard for men to bear. Temple psychologist **Frank Farley** offers this advice for men who lose their jobs: "Keep perspective. There was more unemployment in 1982 than now. Then, like after the Great Depression, good times followed," he said. Farley recommends changing fields, going back to school, trying a new hobby or playing a favorite sport — anything to keep from getting down on yourself, "which solves nothing."

Feb. 4: *CBS3.* As part of his call for belt-tightening, the governor wants to trim spending by merging Pennsylvania school districts. According to **Joseph McLaughlin**, director of Temple's Institute for Public Affairs, Pennsylvanians are reluctant to give up their local school districts. "The situation is so severe that things should be on the table or will be on the table that haven't been," he said.