



UNIVERSITY OF  
NOTRE DAME

REV. THEODORE M. HESBURGH, C.S.C.

*President Emeritus*

1315 Hesburgh Library  
Notre Dame, Indiana  
46556-5629 USA

Telephone (574) 631-6882  
Facsimile (574) 631-6877  
E-mail Theodore.M.Hesburgh.1@nd.edu

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Dear Colleague,

Recently, Danny Schechter, a New York based film maker, dropped by to tell me about his latest documentary, *IN DEBT WE TRUST*, which details the debt and credit crunch that affects so many Americans these days who are struggling to make ends meet. It also deeply impacts all of our students who on average are leaving school with \$20,000 or more in credit card debt.

He invited me to join his efforts to create more national awareness about this problem, made worse by the lack of financial literacy education. It has led many young people to live with great stress, file for bankruptcy or take jobs they don't want just to pay off their growing debts. As you know, missed payments often trigger large late fees and other charges. Interest rates can then leap to what we used to consider usurious levels.

Recently the Congress passed new regulations to protect members of our Armed Forces from being exploited by unscrupulous predatory lenders.

Our students also need protection and guidance. They are often unprepared to manage their money and unaware of the consequences of having a large debt burden may have on their credit scores and job prospects.

USA Today asked recently, "Why are college students so appealing to card issuers?" They earn more on average during their lifetime than those who don't attend college. Many of them can also rely on parents to bail them out of financial trouble. And, "Every year, there's a new cohort to market to," says Robert Manning, a finance professor at Rochester Institute of Technology.

But I am worried about the impact of all this unsustainable debt. Over the past 25 years, America has moved from a society based on production to a nation driven by consumption; from a country that once shared its resources with the world, to one deeply in debt to foreign banks and other countries to the tune of trillions of dollars.

As the growing number of bankruptcies and foreclosures testifies, our national debt is mirrored by a skyrocketing consumer debt, with an increasing number of individuals and families unable to cope. This debt also leads to more inequality and poverty.

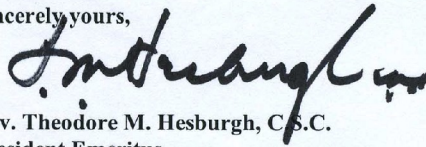
I am writing to ask you and your campus to discuss this issue with students and faculty members. We need to encourage programs on Credit Cards on Campus and encourage seminars or classes or resources about personal financial planning. I think it

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would be helpful if University Presidents and campus leaders take on this problem with educational initiatives, film screenings and panel discussions offering diverse views.

If this interests you, and you want to join in this non-partisan effort, please let Danny Schechter know. I am sure we can enlist many leaders in American life in a responsible campaign of action. Information about Mr. Schechter's film that was just screened here at Notre Dame and is available to other universities at [IndebtweTrust.com](http://IndebtweTrust.com).

Sincerely yours,

A handwritten signature in black ink, appearing to read "T. Hesburgh", written over the typed name below.

Rev. Theodore M. Hesburgh, C.S.C.  
President Emeritus