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17  
18 A PROPOSED RESOLUTION

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21 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
22 \_\_\_\_\_  
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24  
25 To declare the sense of the Council to call upon the federal government to urgently address the  
26 student loan crisis and enact a plan to cancel student loan debt and begin the transition to  
27 education as a public good.

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29 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution  
30 may be cited as the "Sense of the Council Student Loan Debt Cancellation Resolution of  
31 2021".  
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33 Sec. 2. The Council finds that:

34 (1) The student loan crisis is impacting nearly 1 in 5 Americans, with Black,  
35 Latinx, American Indian and Alaska Native, Asian and Pacific Islander, and other communities  
36 of color, low-income residents, and young adults most impacted by student loan debt.

37 Collectively, Americans hold over \$1.6 trillion in student debt and growing.

38 (2) The District of Columbia's economy is strong in large part due to its highly  
39 educated workforce, but this comes at a significant cost to District residents. DC residents have

40 the nation's highest average student loan debt at \$55,400 per borrower, resulting in over \$6.4  
41 billion in debt within the District alone. Over 115,000 individuals, or 16.4 percent of D.C.  
42 residents, have student loan debt that affects their ability to save for retirement, buy a home, pay  
43 for child care, or meet other essential needs and contribute further to the local economy.

44 (3) The segment of the population with the fastest growing student debt balances  
45 are people over age 60. The number of individuals age 60 and older with student loan debt has  
46 quadrupled since 2005, and the average amount they owe has also dramatically increased. This is  
47 due to both borrowers carrying their own student debt later in life and parents, grandparents, and  
48 other caregivers helping to finance their relatives' higher education. This impacts seniors' ability  
49 to save for retirement and maintain financial security and may lead to delinquent or defaulted  
50 student loans late in life, as nearly 40 percent of federal student loan borrowers age 65 and older  
51 are in default.

52 (4) Younger adults carry the largest student loan burden, at precisely the time that  
53 many are attempting to save for buying a home, starting a family, or paying for child care. An  
54 estimated one-third of all adults ages 25 to 34 have student loan debt. Many of these adults are in  
55 the "sandwich generation," caring for both children and elder relatives. Over half of student loan  
56 borrowers report that their debt has a considerable impact on restricting their choice of career.

57 (5) College is more expensive – and more essential – than ever before.  
58 Advancements in technology are making it harder to earn a living wage without an advanced  
59 degree, and college graduates earn on average 80 percent more than those with a high school  
60 diploma. While college attendance is higher than ever before, the cost of college education has  
61 more than doubled over the past generation. Further, many students who take out loans do not

62 ultimately complete a college degree; two-thirds of those who default on their student loans are  
63 borrowers who either did not finish college or earned only a certificate.

64 (6) The student loan crisis is an issue of racial equity. On average, Black students  
65 are more likely to borrow student loans; Black borrowers owe more than white borrowers; and  
66 Black borrowers pay down their debt more slowly, in part due to the racial wealth gap, the racial  
67 pay gap, and racial discrimination in hiring. Black students who earned a bachelor's degree had a  
68 default rate nearly four times higher than similarly situated white peers due to complex facets of  
69 wealth and wage disparities and structural racism. Black and Latinx students are three times  
70 more likely to attend a for-profit college than white students, which are often predatory and  
71 result in much higher rates of default. On average, American Indian and Alaska Native student  
72 borrowers owe the highest monthly payments. Student debt exacerbates the existing racial wealth  
73 gaps and holds many people of color back from building intergenerational wealth.

74 (7) The student loan crisis is an issue of gender equity. While a slight majority of  
75 college students are women, women hold roughly two thirds of the nation's student loan debt.  
76 Black women, on average, accrue more debt than other women. Because of the gender pay gap,  
77 women have a harder time paying off their debt and struggle more financially to do so. A  
78 disproportionate number of single mothers attending college attend for-profit colleges and accrue  
79 higher levels of debt than students at non-profit colleges. The intersection of racial and gender  
80 wage and wealth gaps make it even harder for women of color to afford college, pay down their  
81 student debt, and accrue intergenerational wealth.

82 (8) The student loan crisis is an issue of socioeconomic equity. Low-income  
83 students and families are more likely to need to borrow loans and to default on loans. First-  
84 generation college students accrue more debt on average than other students and are more likely

85 to default on their loans. Students who are veterans, parents, or caregivers also face higher risk of  
86 default. While higher-income communities are more likely to have loan balances due to higher  
87 rates of college attendance, there are far higher rates of economic hardship and delinquency  
88 resulting from student loans in low-income communities.

89 (9) In DC, loan balances are high across the city, particularly in Wards 1, 2, 3, 4,  
90 5, and 6. Yet the burden of student debt is highest in areas with fewer job opportunities and  
91 lower pay and where the average loan balance is higher, resulting in a more significant debt  
92 burden in Wards 5, 7, and 8.

93 (10) Cancelling student loan debt and eliminating debt in higher education  
94 represents a significant economic opportunity for the District of Columbia to increase spending  
95 in our local community, support residents' wealth-building and social mobility, and provide a  
96 deeply needed stimulus during the pandemic.

97 (11) Cancelling student loan debt and eliminating debt in higher education will  
98 have a considerable positive impact on the thousands of students that attend any of the dozens of  
99 colleges and universities that are based or operate in the District and will help advance an  
100 equitable, accessible higher education system for all our residents.

101 (12) Cancelling student loan debt and eliminating debt in higher education will  
102 improve a range of health outcomes by alleviating debt-associated stress and mental health  
103 impacts and improving investments in residents' health services and health outcomes.

104 (13) Cancelling student loan debt is a moral issue, as it will help address racial  
105 and gender wage and wealth gaps; support improved educational, health, and housing outcomes;  
106 and improve economic opportunities for District residents.

107                   (14) Over 90 percent of student loans are provided through the federal  
108 government. Federal student loan debt is held by the United States government, and the Higher  
109 Education Act of 1965 gives the President and Secretary of Education the authority to cancel it.

110                   Sec. 3. It is the sense of the Council that the federal government should leverage its  
111 authority to urgently address the student loan crisis by enacting a plan to cancel student loan debt  
112 and begin the transition to education as a public good.

113                   Sec. 4. The Council shall transmit a copy of this resolution, upon its adoption, to the  
114 Mayor.

115                   Sec. 5. This resolution shall take effect immediately.