
Why The United States Should Cancel Student Debt



by Luke Foster

Background

As of August 2022, more than 45 million Americans owe upwards of \$1.75 trillion in student loan debt

Larger than credit card debt and auto loans

Average student loan debt ~\$30,000

Most borrowers carry debt well into their middle-ages, if not for the rest of their lives

Americans Owe \$1.75 Trillion in Student Debt

Value of outstanding student loans in the United States (not seasonally adjusted)



Source: U.S. Federal Reserve



statista

Causes for college becoming so expensive

States have slashed funding for higher education in recent years, prompting public institutions to raise tuition rates

Easy availability of subsidized student loans

Additional fees (orientation fees, commencement fees, textbook fees, parking fees, etc.)

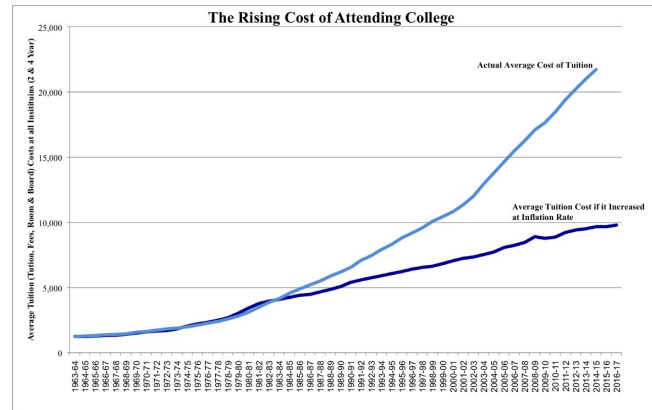
Greed of for-profit institutions

Tuition

From 1986 to 2018, cost of tuition rose by 497%

Far outpaces inflation (more than double the rate)

Price at two-year schools increased by ~320% over same period



Additional Fees

Textbooks have skyrocketed in price, costing more than 1,000% what they did in the 1970s

2014 study by the Public Interest Research Groups found that $\frac{2}{3}$ of surveyed students skipped buying/renting textbooks due to price

Lack of competition coupled with necessity of many textbooks offers no incentive to lower price



Greed in academia

Entities like for-profit colleges and student loan lenders intentionally prey on vulnerable demographics

For-profit schools even exploit veteran's benefits to leverage ability to reach more potential students (Ashford University took advantage of brain injured soldiers)

Navient, largest student loan lender in the United States, directed employees to trick customers into most expensive plans "baited hook"

For-profit industry spent \$10 million fighting federal regulation, even sending out mass form letters to overwhelm government with supposed genuine opposition

Benefits of student debt cancellation

Relieves millions of Americans from being trapped under unfair, unjust payments

Further incentivizes those interested to pursue higher education

Would enable greater participation in American economy, as people would have more money to spend

Confronting Opposition

Claim - “Cancelling student debt would increase inflation.”

Truth - Any inflation that could occur would be small and more than offset by payments restarting. Additionally, student loan forgiveness of at least \$10,000 would actually help taxpayers as it would lower the cost of living.

Claim - “Cancelling student debt is unfair to those who already paid it off!”

Truth - This is not the perspective that should be taken when analyzing this problem. Having to excessively sacrifice and micromanage to scrape by through an inherently predatory system is not a reason to uphold it. You should not have to suffer now because people suffered before you in a situation where it could be entirely avoidable.



Conclusion

Student debt cancellation is not a pipe dream, or an unfair proposal. It is an ethical and reasonable goal that would uplift our nation in a myriad of ways, principal among them being the ability of millions of Americans to more broadly participate in our economy and to pursue higher education without fear of financial devastation.

Thank you!

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