

Resolution #22-0164

2022 Resolution Book, Page 78

RESOLUTION CALLING UPON THE FEDERAL GOVERNMENT TO URGENTLY ADDRESS THE STUDENT LOAN CRISIS AND ENACT A PLAN TO CANCEL STUDENT LOAN DEBT AND BEGIN THE TRANSITION TO EDUCATION AS A PUBLIC GOOD

WHEREAS, the Mayor and Winston-Salem City Council hereby determines that it is timely and necessary to call upon the federal government to urgently address the student loan crisis, enact a plan to cancel student loan debt, and begin the transition to education as a public good; and

WHEREAS, the student loan crisis is impacting nearly 1 in 5 Americans, with Black, Latinx, American Indian, and Alaska Native, Asian and Pacific Islander, and other communities of color, low-income residents, and young adults most impacted by student loan debt. Collectively, Americans hold over \$1.6 trillion in student debt and growing, and North Carolinians alone hold \$44 billion in student loan debt; and

WHEREAS, the Winston-Salem's economy is strong, in part, due to its educated workforce; 88.5 percent of adults in Winston-Salem have attained high school graduation or greater and 34.5 percent have attained a bachelor's degree; and the City has residents that are burdened by student debt; and

WHEREAS, 1.3 million North Carolinians hold student loan debt, which affects their ability to save for retirement, buy a home, pay for childcare, or meet other essential needs and contribute further to the local economy. Younger adults carry the largest student loan burden, at precisely the time that many are attempting to save for buying a home, starting a family, or paying for childcare. An estimated one-third of all adults ages 25 to 34 have student loan debt; and

WHEREAS, college is more expensive - and more essential - than ever before. Advancements in technology are making it harder to earn a living wage without an advanced degree, and college graduates earn on average 80 percent more than those with a high school diploma. While college attendance is higher than ever before, the cost of college education has more than doubled over the past generation. Further, many students who take out loans do not ultimately complete a college degree; two-thirds of those who default on their student loans are borrowers who either did not finish college or earned only a certificate; and

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

WHEREAS, the student loan crisis is an issue of gender equity. While a slight majority of college students are women, women hold roughly two thirds of the nation's student loan debt. Black women, on average, accrue more debt than other women. Because of the gender pay gap, women have a harder time paying off their debt and struggle more

financially to do so. A disproportionate number of single mothers attending college attend for-profit colleges and accrue higher levels of debt than students at non-profit colleges. The intersection of racial and gender wage and wealth gaps make it even harder for women of color to afford college, pay down their student debt, and accrue intergenerational wealth; and

WHEREAS, the student loan crisis is an issue of socioeconomic equity. Low-income students and families are more likely to need to borrow loans and to default on loans. First generation college students accrue more debt on average than other students and are more likely to default on their loans. Students who are veterans, parents, or caregivers also face higher risk of default. While higher-income communities are more likely to have loan balances due to higher rates of college attendance, there are far higher rates of economic hardship and delinquency resulting from student loans in low-income communities; and

WHEREAS, cancelling student loan debt and eliminating debt in higher education represents a significant economic opportunity for Winston-Salem to increase spending in our local community, support residents' wealth-building and social mobility, and provide a deeply needed stimulus during recovery from the COVID-19 pandemic; and

WHEREAS, cancelling student loan debt and eliminating debt in higher education will have a considerable positive impact on the thousands of students that attend any of multiple colleges and universities that are based or operate in Winston-Salem and will help advance an equitable, accessible higher education system for all our residents; and

WHEREAS, cancelling student loan debt and eliminating debt in higher education will improve a range of health outcomes by alleviating debt-associated stress and mental health impacts and improving investments in residents' health services and health

outcomes; and

WHEREAS, over 90 percent of student loans are provided through the federal government. Federal student loan debt is held by the United States government, and the Higher Education Act of 1965 gives the President and Secretary of Education the authority to cancel it.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Winston-Salem City Council calls upon the federal government to leverage its authority to urgently address the student loan crisis by enacting a plan to cancel student loan debt and begin the transition to education as a public good.

BE, IT FURTHER RESOLVED, that the Mayor and Winston-Salem City Council instructs the City Clerk to send a copy of this resolution to the City's Congressional Delegation.