

November 18, 2020

Dear President-Elect Biden and Vice President-Elect Harris:

We, the 238 undersigned community, civil rights, climate, health, consumer, labor, and student advocacy organizations write to urge you to boost the economy, tackle racial disparities, and provide much-needed stimulus to help all Americans weather the pandemic and the associated recession by using executive authority to cancel federal student debt on Day One of your administration.

Before the COVID-19 public health crisis began, student debt was already a drag on the national economy, weighing heaviest on Black and Latinx communities, as well as women. That weight is likely to be exponentially magnified given the disproportionate toll that COVID-19 is taking on both the health and economic security of people of color and women. To minimize the harm to the next generation and help narrow the racial and gender wealth gaps,<sup>1</sup> bold and immediate action is needed to protect student loan borrowers, including Parent PLUS borrowers, by cancelling existing debt.

There is growing energy and strong bipartisan [public support](#) for immediate broad-based debt cancellation. Such executive action is one of the few available tools that could immediately provide a boost to upwards of 44 million borrowers and the economy. Lawmakers and [advocacy groups](#) have introduced [several proposals](#) to provide various [levels](#) of student debt cancellation. In September, Senate Minority Leader Chuck Schumer and Senator Elizabeth Warren introduced a Senate resolution, joined by 12 other senators, to call on the next President to use executive action to [cancel \\$50,000](#) in federal student loans for individual borrowers. The resolution highlights that the Higher Education Act empowers the Secretary of Education to cancel federal student debt administratively.<sup>2</sup>

During the campaign, you [endorsed](#) \$10,000 of relief while Congress negotiated the CARES Act, and subsequently promised to provide broad student debt cancellation “[immediately](#)” as a coronavirus response. Administrative debt cancellation will deliver real progress on your racial equity, economic recovery, and COVID-19 relief campaign priorities.

**Student debt exacerbates existing racial inequities; cancellation will help reduce the racial wealth gap.** The [disproportionate impact](#) of student debt on borrowers of color exacerbates existing systemic inequities and widens the racial wealth gap. Black Americans—and particularly [Black women](#)—are more likely to [take on student loan debt](#) and [struggle with repayment](#). This burden is particularly acute for those Black students who are targeted by for-profit institutions, which also target veterans and often deliver [poor instructional quality and outcomes at a high cost](#), causing a high proportion of students to drop out. Even for those students who do graduate, gainful employment in the

---

<sup>1</sup> Women hold two-thirds of the country’s student debt and on average borrow \$3,000 more than men to attend college—yet because of the wealth and wage gap, women find it harder to repay their loans. See National Women’s Law Center, “Higher Education, Recession, and COVID-19: What Students and Student Borrowers Need from a Federal Stimulus Package.” Available at <https://nwl.org/wp-content/uploads/2020/04/COVID-Stimulus-and-Higher-Ed-Factsheet.pdf>.

<sup>2</sup> See Connor, Loonin, Merrill, Letter, available at <https://static.politico.com/4c/c4/dfaddbb94fd684ccfa99e34bc080/student-debt-letter-2.pdf.pdf>, cited in <https://www.warren.senate.gov/newsroom/press-releases/schumer-warren-the-next-president-can-and-should-cancel-up-to-50-000-in-student-loan-debt-immediately-democrats-outline-plan-for-immediate-action-in-2021>. See also Herrine, L. December 2019. “An Administrative Path to Student Debt Cancellation.” *The Great Democracy Initiative*. Available at [https://greatdemocracyinitiative.org/wp-content/uploads/2019/12/HerrineStudentDebtJubilee\\_FINAL.pdf](https://greatdemocracyinitiative.org/wp-content/uploads/2019/12/HerrineStudentDebtJubilee_FINAL.pdf).

field that they trained for is [frequently elusive](#), leaving students with a lot of debt but not much to show for it. Student debt cancellation has the potential to increase the net wealth of Black households and [could even help reduce the racial wealth gap](#).

**Cancellation will provide a much-needed economic stimulus.** Today's graduates face a dual crisis: in addition to the ongoing [stagnation of wages](#), the pandemic has impacted their ability to earn income. Students who graduate into a recession face a "scarring" effect on their entire careers, leading to permanently lower employment and earnings.<sup>3</sup> [Data from before the pandemic](#) showed that when subtracting all of their debts from all of their assets, today's young adults with college degrees and student debt were left with a *median net wealth of -\$1,900* – a decline of approximately \$9,000 from 2013. Student debt also impacts seniors, the nation's fastest-growing group of student debtors. 37% of seniors with student loans are [in default](#), and in 2015 alone, [40,000 borrowers](#) over 65 had their Social Security garnished due to student loans. The mere presence of student debt on households' balance sheets can make it harder or more expensive for families to get [other types of credit](#) and [fully participate in the economy](#). Meanwhile, research shows that student debt cancellation catalyzes drastic, positive changes for borrowers, [particularly for those not current on their loans](#). When borrowers' student debt is cancelled, their ability to pay down other debts [increases](#); their geographic mobility and ability to [stay in rural communities improves](#), as do their opportunities to pursue better jobs.

Cancelling student debt would [jumpstart small business formation](#) at a time when tens of thousands of small businesses have closed. These small business closures have [most affected](#) Black and Latinx business owners. Student debt cancellation would [boost GDP](#), create jobs, and reduce unemployment.

**Federal student debt cancellation could have a positive impact on health outcomes.** A growing body of research suggests that debt is linked to negative health outcomes and [contributes](#) to existing public health disparities. [Debt is associated with](#) negative mental and physical health outcomes such as stress, depression, worse self-reported general health, higher diastolic blood pressure, obesity, and even mortality. High blood pressure and obesity, in particular, are both mentioned by the Centers for Disease Control and Prevention (CDC) as conditions that can [increase the risk](#) of severe illness from the virus that causes COVID-19. Another [study](#) found a connection between debt and foregone medical care. Thus, broad-based student debt cancellation could have profound positive effects on health outcomes.

Cancelling student debt would disproportionately help borrowers of color, respond to the coronavirus crisis, and provide much needed economic relief and stimulus. We call on you to deliver on the promise of the Biden-Harris Racial Economic Equity [plan](#) by cancelling federal student debt by executive action on Day One of your administration.

Thank you for your leadership, and we look forward to working with you to address the critical issues facing our nation.

Sincerely,

---

<sup>3</sup> Research shows that millennials in labor markets with higher unemployment lost 13 percent in cumulative earnings from 2007 to 2017. See Bahn, K. 2019, November 20. "OK, Boomer": How millennials have been left behind in the recovery from the Great Recession." *Washington Center for Equitable Growth*. Available at <https://equitablegrowth.org/ok-boomer-how-millennials-have-been-left-behind-in-the-recovery-from-the-great-recession/>.

## **National groups:**

Asset Funders Network  
Action Center on Race and the Economy (ACRE)  
Advocates for Youth  
Agroecology Research-Action Collective  
Alliance for Strong Families and Communities  
Alliance for Youth Action  
American Academy of Social Work & Social Welfare (AASWSW)  
American Association of Colleges for Teacher Education  
American Association of University Women (AAUW)  
American Economic Liberties Project  
American Federation of Teachers  
American Medical Student Association  
American Psychological Association  
Americans for Democratic Action (ADA)  
Americans for Financial Reform  
Asian Pacific American Labor Alliance, AFL-CIO  
Augustus F. Hawkins Foundation  
Bayard Rustin Liberation Initiative  
Bend the Arc: Jewish Action  
Campaign for America's Future  
Center for Justice & Democracy  
Center for Law and Social Policy (CLASP)  
Center for LGBTQ Economic Advancement & Research  
Center for Popular Democracy Action  
Center for Responsible Lending  
Children's Defense Fund  
Clearinghouse on Women's Issues  
Coalition on Human Needs  
Community Organizing and Family Issues  
Community Oriented Correctional Health Services (COCHS)  
Consumer Federation of America  
Consumer Reports  
Council on Social Work Education  
Demand Progress  
Demos  
Disability Rights Education & Defense Fund (DREDF)  
Economic Justice Ministries, United Church of Christ  
Emgage Foundation Inc  
EMPath: Economic Mobility Pathways  
Franciscan Action Network  
Friends of the Earth U.S.  
Generation Progress  
Girls Inc.  
Greenpeace

Hispanic Federation  
In Our Own Voice: National Black Women's Reproductive Justice Agenda  
Indivisible  
Insight Center for Community Economic Development  
Invest in Women Entrepreneurs  
Japanese American Citizens League  
Jobs With Justice  
Labor Council For Latin American Advancement  
League of United Latin American Citizens (LULAC)  
Media Voices for Children  
Minority Veterans of America  
MomsRising  
MoveOn  
MyPath  
NAACP  
NACBHDD - National Association of County Behavioral Health and Developmental Disability Directors  
NARMH - National Association for Rural Mental Health  
National Advocacy Center of the Sisters of the Good Shepherd  
National Alliance for Partnerships in Equity (NAPE)  
National Association for College Admission Counseling  
National Association for Latino Community Asset Builders  
National Association of Consumer Advocates  
National Association of Consumer Bankruptcy Attorneys (NACBA)  
National Association of Social Workers (NASW)  
National Center for Law and Economic Justice  
National Children's Campaign  
National Community Reinvestment Coalition (NCRC)  
National Consumer Law Center (on behalf of its low-income clients)  
National Domestic Violence Hotline  
National Education Association  
National Employment Law Project  
National Equality Action Team (NEAT)  
National Latino Farmers & Ranchers Trade Association  
National Partnership for Women & Families  
National Partnership for Women and Families  
National Urban League  
National WIC Association  
National Women's Law Center  
National Young Farmers Coalition  
OCA – Asian Pacific American Advocates  
Organic Consumers Association  
Parents Organized to Win, Educate and Renew – Policy Action Council  
People For the American Way  
People's Action  
People's Parity Project  
Progressive Change Campaign Committee ([BoldProgressives.org](http://BoldProgressives.org))

Progressive Leadership Initiative  
Project on Predatory Student Lending  
Protect All Children's Environment  
Public Advocacy for Kids (PAK)  
Public Citizen  
Public Counsel  
Public Good Law Center  
Rachel Carson Council  
Restaurant Opportunities Centers United  
Revolving Door Project  
School Social Work Association of America  
Service Employees International Union (SEIU)  
Sikh American Legal Defense and Education Fund (SALDEF)  
Social Security Works  
Southeast Asia Resource Action Center (SEARAC)  
Southern Rural Black Women's Initiative for Economic and Social Justice  
Student Action  
Student Borrower Protection Center  
Student Debt Crisis  
Student Defense  
Student Voice  
Sunrise Movement  
Swipe Out Hunger  
Take on Wall Street  
Tax March  
The Climate Mobilization  
The Congress of Essential Workers  
The Debt Collective  
The Education Trust  
Towards Justice  
U.S. Federation of Worker Cooperatives  
UE, United Electrical, Radio and Machine Workers of America  
UnidosUS  
United for a Fair Economy  
United for Respect  
United Parents And Students  
United State of Women  
United States Student Association  
UnKoch My Campus  
URGE: Unite for Reproductive & Gender Equity  
Veterans Education Success  
Voices for Progress  
Working Families Party  
Young Invincibles

**State Groups:**

ACTION Tulsa  
AFGE Local 3354 (AFL-CIO)  
AFGE Local 704  
AKPIRG  
Arkansas Community Organizations  
Bucks County Womens Advocacy Coalition  
California LULAC  
Cash Campaign of Maryland  
Center for Economic Integrity  
Center for Popular Democracy  
Charlotte Center for Legal Advocacy  
Chicago United for Equity  
Chicago Urban League  
Children's Defense Fund Southern Regional Office  
Children's Defense Fund-CA  
Civil Service Bar Association  
Community Legal Services, Inc. of Philadelphia  
Community Service Society of New York  
Comprehensive Youth Services Inc.  
Consumer Federation of California  
Convencion Bautista Hispana de Texas  
Debt-Free MD, INC.  
Delaware Community Reinvestment Action Council, Inc.  
Denver Area Labor Federation, AFL-CIO  
East Bay Community Law Center  
Education Minnesota  
Empire Justice Center  
Equality North Carolina  
Fayetteville Police Accountability Community Taskforce  
Friendship of Women, Inc.  
Generation Hope  
Georgia Watch  
Grassroots Action NY  
Greenlining Institute  
Hildreth Institute  
Housing and Economic Rights Advocates  
Indivisible San Diego  
Inversant  
Jacksonville Area Legal Aid, Inc.  
Just-A-Start Corporation  
Kanawha Valley National Organization for Women  
Kentucky Center for Economic Policy  
Legal Aid Society of Milwaukee  
Long Beach Alliance for Clean Energy  
Los Amigos of Orange County

Louisiana Budget Project  
LSCNY, Inc.  
LULAC of Simi Valley  
MAHA  
Maine Center for Economic Policy  
Maryland Consumer Rights Coalition  
Massachusetts Affordable Housing Alliance  
Massachusetts Budget and Policy Center  
Massachusetts Jobs with Justice  
Miami Valley Fair Housing Center, Inc.  
Mission Possible Community Services, Inc.  
Mississippi Center for Justice  
Mobilization for Justice  
Montana Fair Housing  
Morgantown Pastoral Counseling Center, Inc.  
MS Black Women's Roundtable and MS Women's Economic Security Initiative  
National Council on Alcoholism and Drug Dependence-Maryland Chapter  
NC Climate Justice Collective  
New Economics for Women  
New Economy Project  
New Era Colorado  
New Georgia Project  
New Jersey Association of Mental Health and Addiction Agencies, Inc.  
New Jersey Citizen Action  
NextGen California  
Ohio Student Association  
Olive Hill Community Economic Development Corporation, Inc  
Pennsylvania Council of Churches  
Piedmont Alliance for the Prevention of Substance Abuse (PAPSA)  
Premier Women's Council  
Public Higher Education Network of Massachusetts (PHENOM)  
Public Justice Center  
Public Law Center  
Reinvestment Partners  
S.C. Appleseed Legal Justice Center  
Save Us Now Inc  
SEIU Local 509  
Southern Echo Inc.  
Southern Maryland Community Network  
The Freedom BLOC  
The Health, Education and Legal assistance Project: A Medical-Legal Partnership at Widener  
University Delaware Law School (HELP: MLP)  
THE ONE LESS FOUNDATION  
The Recovery Council  
Triangle Community Foundation  
Tzedek DC

United Vision for Idaho  
Unity Fellowship of Christ Church NYC  
Virginia Organizing  
VOCAL-NY  
VOICE - OKC  
West Virginia Center on Budget and Policy  
Wisconsin Faith Voices for Justice  
Women Employed  
Women's Rights and Empowerment Network  
Women's Foundation of Arkansas  
Women's Foundation of Minnesota  
Women's Fund of Rhode Island  
WV Citizen Action Education Fund  
Zero Debt Massachusetts