

November 18, 2020

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

We, the 236 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,¹ 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.²

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

¹ 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://nwlrc.org/wp-content/uploads/2020/04/COVID-Stimulus-and-Higher-Ed-Factsheet.pdf>.

² 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.

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.³ [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,

³ 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 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
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)
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