Student Debt Forgiveness Options: Implications for Policy and Racial Equity

Raphaël Charron-Chenier, Arizona State University
Louise Seamster, University of Iowa
Tom Shapiro, Brandeis University
Laura Sullivan, New Jersey Institute for Social Justice

August 2020

ABOUT THE AUTHORS

Raphaël Charron-Chénier is an Assistant Professor in the Justice and Social Inquiry unit of Arizona State University's School of Social Transformation. His work focuses primarily on the reproduction of racial inequality through consumer and consumer finance markets. Charron-Chénier holds a PhD in Sociology from Duke University and earned BA and MA degrees from McGill University.

Louise Seamster is an Assistant Professor in Sociology and Criminology and African American Studies at the University of Iowa. writes about racial politics and urban development, emergency financial management, debt, and the myth of racial progress. She earned a PhD in Sociology from Duke University and an MA in Liberal Studies at the New School for Social Research.

Dr. Thomas Shapiro, Director, Institute on Assets and Social Policy and the David R. Pokross Professor of Law and Social Policy at The Heller School for Social Policy, Brandeis University. Professor Shapiro's primary interest is in racial inequality and public policy. He is a leader in the wealth and race field with a particular focus on closing the racial wealth gap. With Dr. Melvin Oliver, he wrote the award-winning Black Wealth/White Wealth, which received the 1997 Distinguished Scholarly Publication Award from the American Sociological Association. The Hidden Cost of Being African American: How Wealth Perpetuates Inequality, 2004, was widely reviewed. He co-authored a groundbreaking study, The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide. In 2011 he was awarded a Fulbright Scholarship to study the wealth gap in South Africa.

Dr. Shapiro's most recent book Toxic Inequality: How America's Wealth Gap Destroys Mobility, Deepens the Racial Divide, & Threatens Our Future was released in 2017. He has been interviewed by and his work discussed in major media outlets including the New York Times, the Washington Post, the Boston Globe, CNN, ABC, BBC, MSNBC, NPR. He maintains an active social media presence.

Laura Sullivan is the Director of Economic Justice at the New Jersey Institute for Social Justice, where she leads the Institute's work to promote a more equitable and inclusive economy in New Jersey. Previously, she was a policy researcher at the Institute on Assets and Social Policy focusing on understanding racial wealth disparities and the financial well-being and vulnerabilities of U.S. households. A UC Berkeley graduate, she holds a Master of Public Affairs from the LBJ School of Public Affairs and a PhD in Social Policy from Brandeis University.

The Institute's mission is to empower New Jersey residents to realize and achieve their full potential. Established in 1999 by Alan V. and Amy Lowenstein, the Institute is known for its dynamic and independent advocacy aimed at toppling load-bearing walls of structural inequality to create just, vibrant and healthy communities. The Institute employs a broad range of advocacy tools to advance our ambitious social and racial justice agenda, including research, analysis and writing, public education, grassroots organizing, communications, the development of pilot programs, legislative strategies and litigation.

ABOUT THE ROOSEVELT INSTITUTE

The Roosevelt Institute is a think tank, a student network, and the nonprofit partner to the Franklin D. Roosevelt Presidential Library and Museum that, together, are learning from the past and working to redefine the future of the American economy. Focusing on corporate and public power, labor and wages, and the economics of race and gender inequality, the Roosevelt Institute unifies experts, invests in young leaders, and advances progressive policies that bring the legacy of Franklin and Eleanor into the 21st century.

ABSTRACT

The continued rise in student debt has had disproportionate negative effects for Black borrowers. Plans proposing student debt forgiveness should foreground the potential impact on those worst affected. We use data from the 2016 Survey of Consumer Finances to model the impact of debt forgiveness at multiple levels of cutoffs on borrowers' loan obligations and for the racial wealth gap.

INTRODUCTION

With cumulative U.S. student debt now topping $1.67 trillion (St. Louis Federal Reserve Bank 2020), there is growing consensus that funding higher education through individual debt is an unsustainable practice. Student debt is weighing down multiple generations of Americans. Millions of students enroll in higher education each year in pursuit of enhanced economic stability, but leave college with a debt load that takes decades to repay—if it is repaid at all. Even before the current economic crisis, the shifting demographics of college attendance, rising tuition costs, and stagnant earnings have required revisiting assumptions that virtually any amount of debt is worth it over the long term (McMillan Cottom 2017). Recent research has shown the disproportionate (Seamster and Charron-Chénier 2017) and lasting (Sullivan, Meschede, Shapiro and Escobar 2019) burden of student debt on Black households. Moreover, the growing debt burden falling on marginalized groups raises concerns that student debt is becoming a racialized means of financial exploitation via "predatory inclusion" (Seamster and Charron-Chénier 2017).

Recently, politicians, scholars and affected groups have called for student debt forgiveness as a remedial measure. Student debt cancellation featured prominently in the 2020 presidential Democratic primary, with several candidates adopting some form of student debt forgiveness in their platform. Debt forgiveness is key to addressing inequality and rebuilding families' capacity to weather economic shocks, both of which have growing importance in the emerging economic crisis of 2020. Forgiving student debt is also a matter of racial justice (Zewde and Hamilton 2019). Student debt, as federal policy, has reproduced and exacerbated the Black/white racial wealth gap and economic inequality. Therefore, any proposed intervention should foreground analysis of potential impacts on these racial disparities in debt burden and distress.

In this paper, we argue the forty-year experiment in devolving the cost of higher education to individuals has caused specific and avoidable harms that can be partly remedied through extensive debt forgiveness. Using data from the Survey of Consumer Finances, we propose simulations of student debt forgiveness to determine the impact of various student debt forgiveness policies of up to $50,000 on household wealth levels. We focus specifically on the impact of forgiveness policies on vulnerable borrowers with negative net worth and on the racial wealth gap analyzing impacts for Black and white households. As a primary policy focus, we aim to identify debt forgiveness levels that maximize benefit to households (in terms of overall reach and proportion of vulnerable households affected), while promoting racial equity.

We find that student debt relief would substantially improve the financial security of Black and white borrower households and have profound impacts for the asset security of Black households overall, who would experience substantial relative wealth gains. For both Black and white borrower households, greater student debt relief leads directly to greater benefits, with the greatest marginal gains in relief occurring at lower cancellation amounts. The analysis indicates that debt forgiveness at levels from $10,000 up to $50,000 would have broad reach.[1] For instance, $20,000 in forgiveness would forgive all student loan debt for over half of borrowing households, while $40,000 would leave 75 percent without any educational debt. Although projected net worth gains for Black households overall are substantial due to the greater proportion of Black households holding student debt relative to the proportion of white households, impacts on the racial wealth gap would be modest. Thus, the analysis suggests that student loan forgiveness should be coupled with a broader policy agenda aimed at equity.

[1] We conducted additional analyses, not featured here, exploring the impact of higher levels of debt forgiveness, and additional policy levers (like an income cutoff). We found diminishing returns of forgiveness amounts above $50,000, especially for Black households. These findings will be published in a future version of this working paper.

Student Debt as a (Failed) Social Policy

The United States' current student loan system bears little resemblance to its origin in the 1950s as a small supplement to students, who for the most part could repay the cost of public tuition through summer jobs (Herrine 2019). The federal government's role has evolved too, from guaranteeing private loans, to eventually, with the Obama administration's Direct Loans, serving as the lender itself. The public nature of these loans has earned less critical attention than is warranted given the structure and consequences of student debt. Far from its original intent, the student debt system has itself become big business for loan servicers and collection agencies, securities, and private lenders who help students refinance loans, not to mention the federal government itself. Some have argued that precipitous growth in student loans does not just reflect sharp tuition increases, but helped drive these increasing costs (see Berman and Stivers 2015 for discussion), as universities have competed to capture market share of students with guaranteed access to student debt. Tressie McMillan Cottom (2017) has emphasized the for-profit education industry's heavy dependence on student loans, and has warned that ostensibly "non-profit" institutions' strategies for survival will also increasingly rely on loans for tuition revenues.

While nominally public, this model devolves responsibility for education costs to individuals. As educational costs increase, federal and state support has not kept track. In 2012, the maximum Pell Grant of $5,500 only covered 30 percent of students' average total cost of attendance at a four-year public college (NCES 2015, tables 1.0 and 1.2). Higher education's share of state funding fell by a third since 1990 (Mitchell, Leachman, and Masterson 2017), and the transition accelerated over the Great Recession. Between 2008 and 2013, the median research university saw its state funding cut by over 26 percent (American Academy of Arts and Sciences, 2015). In 2017, funding was still roughly $10 billion below pre-Recession levels after inflation (Mitchell, Leachman, and Masterson, 2017).

The effects of this shift in higher education financing are disproportionately borne by Black students (Kahn, Huelsman, and Mishory 2019). Indeed, public institutions of higher education moved from a public-funding model to self-financing just as Black students and other students of color gained entry, having fought back against discrimination and exclusion. It coincided with a larger post-Civil

Rights turn against investments in public goods from education (Steinbaum 2019, Seamster, and Henricks 2015) to taxes (Henricks and Seamster 2016) and welfare (Gilens 2009). Critical attention to this debt-based system is essential to identify its potential predatory design and effects, especially when it comes to disproportionate negative impacts on Black borrowers.

Social Mobility and Student Debt

The assumption that college is the primary means to achieve economic mobility is undermined by the contemporary reality of student debt. Many argue that student debt is a reasonable investment, more than repaid through higher future earnings. However, the cumulative effects of rising costs of attendance, the changing student population and higher education landscape, and trends in post-college employment options challenge this assumption. College tuition has risen significantly over this period and income has not kept up. The result is a credentialization trap (McMillan Cottom 2017) whereby more education is required to get the same jobs: "As successive cohorts have climbed further up the ladder of higher education, the ladder itself is subsiding" (Morgan and Steinbaum 2018, 6). While student debt has always most affected young people (for obvious reasons), student debt is now following people much longer than it used to. Almost a third of student debt is held by people over 40 (Sullivan et al., 2015). Student debt is also hindering people, especially young educated adults, from making significant investments, like buying a home (Mezza, Ringo, Sherlund, and Sommer 2016). In 2017, a survey found student debt was the most common expense preventing first-time homebuyers from saving for a down payment (55 percent of first-time buyers and 38 percent of repeat buyers) (National Association of Realtors).

The past few decades have seen the entry of more first-generation students into college. First-generation students typically have fewer family resources and less intergenerational wealth to subsidize education costs or help pay off debt, and are less likely to earn a degree (Wilbur and Roscigno 2016). Seventy percent of college students work to help their families and pay college costs, with low-income students working more hours than students from higher income families. In 2012, 74 percent of "low-income working learners" were working over 15 hours a week, the amount at which working starts to adversely impact grades (Carnevale and Smith 2018).

Students who work are disproportionately likely to be non-white (Carnevale and Smith 2018), and 40 percent of Black students, compared to 30 percent of white students, worked over forty hours a week while in college (NCES 2016). Many students also experience housing and food insecurity, especially those in community colleges (Broton and Goldrick-Rab, 2018; Bruening, Argo, Payne-Sturges, and Laska, 2017; Goldrick-Rab, Richardson, and Hernandez 2017).

These disparities also matter for debt repayment. Students from families with income under $30,000 have difficulty repaying debt because only half earn over $25,000 five years after graduation; half of these students experience negative amortization (loans growing over time due to accumulated interest) five years after graduation (Carnevale and Smith 2018). Particularly at our public institutions and for-profit schools, today's students experience college through a lens of crushing debt.

Consequences of Racial Inequity in Student Debt

Analyzing racial disparities in student debt is important to understand who does and does not benefit from this system, and how and why reform or outright dismantling is necessary. Student debt levels are growing at a higher rate for Black than for white borrowers. Average student debt for Black households nearly tripled in the twelve years surrounding the Recession (Seamster and Charron-Chénier 2017). This disproportionate burden on Black families has been observed across successive cohorts of students (e.g., Houle and Addo 2019) and in zip codes with more Black residents (Haughwout, Lee, Scally, and van der Klaauw 2019; Student Borrower Protection Center, 2020). The disparity holds even when considering class differences across students: low-income Black borrowers owe more than similarly situated white borrowers (Grinstein-Weiss et al 2016).

Studies have illuminated many factors making student debt riskier for Black borrowers. Black students have a higher likelihood of attending predatory for-profits (Kahn et al 2019), higher likelihood of having to take on debt to finance education, lower likelihood of graduating (e.g. Jackson and Reynolds 2013), and higher likelihood of default (Scott-Clayton 2018). Black households' recently-increasing participation in higher education is likely in part due to economic "push factors." Black unemployment rates, which consistently double those of white unemployment rates (e.g. Hamilton and Darity 2015), soared during the Great Recession, pushing many to return to school to escape a bad job market and improve chances of success in later employment (McMillan Cottom 2017). Although it is impossible to forecast the full impact of 2020's Covid-19 economic catastrophe, we are likely to see a similar dynamic driving at least some people back to school in the long term, with short-term variations. For instance, one online survey found both that Black students' college plans were more likely than whites' to have been cancelled or changed, and yet they were more also more likely to be pursuing higher education plans (Strada 2020).

While student debt represents a significant burden for many households, it tends to be more burdensome to Black families due to longstanding wealth inequality and structural racism. The shift to privatized financing of higher education is actively worsening racial disparities that stem largely from historical discrimination. Education debt has contributed to the recent rise in racial wealth inequality (Kahn, Huelsman and Mishory 2019), along with predatory mortgage lending and the subsequent housing implosion (Burd-Sharps and Rasch 2015). Alongside the higher risk Black families are shouldering with student debt, they also see lower returns for their investment. Collectively, the large increase in Black households' student debt is undermining the gains made by the fragile Black middle class. Addo and coauthors found that Black wealth is less protective for young Black borrowers than white wealth is for young white borrowers (Addo, Houle and Simon 2016). For the Black middle class, student debt-to-income ratios are very high, an indicator of the extra credentialization required to compensate for employment discrimination (Morgan and Steinbaum 2018). Black borrowers also have lower familial wealth and post-college income, making debt harder to pay off and contributing to a higher debt-to-income ratio (Baker 2019).

The federal student debt system has effectively created dual tracks. Wealthier white students (who arguably need loans the least for economic mobility) can leverage student loans into higher earnings, and pay them off much more easily. Meanwhile, Black students are yoked with higher student debt and less ability to repay it (Moultrie et al. 2020). Research has tracked this bifurcation in the burden of student debt over a person's lifetime. The racial gap in student debt between Black and white borrowers tripled for recent graduates just four years after graduation (Scott-Clayton and Li 2016), and more than quadrupled by year twelve (Scott-Clayton 2018). Twenty years after starting school, the median white borrower had paid off 94% of their education debt, while the median Black borrower still owed 95% of their debt (Sullivan, Meschede, Shapiro, and Escobar 2019).

This bifurcation of outcomes into "white debt" and "Black debt" matches patterns in racialized debt experiences observed in other domains (Seamster 2019). Black debt can range from the higher credit collection rates in Black neighborhoods (Kiel 2015), to predatory mortgages (Rugh, Albright and Massey 2015), payday loans (Charron-Chénier 2019), and legal financial obligations like court fines (Harris 2016, Henricks, and Harvey 2017). In each of these predatory debt forms, profit derives less from timely repayment than from fees and penalties incurred in a long-term debtor relationship. Because few of our statistics on student debt focus on cumulative amounts paid by debtors, measures like default or repayment rate fail to fully capture the actual economic burden that student debt imposes on families. This is important because low payoff rates and high default rates among Black families does not equate to Black households not making payments—it can often mean that lending conditions are such that the financial burden of debt grows faster than households can manage.

Without intervention, these policies and institutional practices will continue to wedge the wealth holdings of Black and white households further apart. We have an opportunity to redress some of these negative effects and implement more equitable methods of funding higher education. This opportunity, however, should not be understood or presented as an all-encompassing solution for racial inequality. Erasing student debt with an eye to racial justice is not the same as eliminating racial wealth inequality: the racial wealth inequality dynamic is a much larger problem with long-term causes and demanding a larger and more comprehensive set of interventions. As Zewde and Hamilton write, "Relieving student debt is not the policy tool for eliminating the racial wealth gap" (2019). Nonetheless, existing evidence shows clear disparate harm of student debt for Black households. As such, student debt forgiveness can be a remedial or restorative policy, serving as a harm reduction and future harms prevention. Analyzing the effect of education debt forgiveness through a racial and wealth lens should be seen as part of a much larger package of policy solutions (see, for instance, Oliver and Shapiro 2019, Hamilton and Darity 2017 for additional suggestions).

Need and Policy Momentum for Reform

Momentum has grown in recent years for policy action to address the negative impacts of student debt in general, and the disparate impacts for Black students in particular (see, for example, Berman 2019, Goldstein 2019, Mitchell and Fuller 2019, and Jiménez and Glater 2020). Policy proposals typically focus on both relief for current borrowers and ways to prevent debt levels from rising again (e.g., free public college or state and local promise programs (College Promise Campaign 2018)). While these policies are discussed together frequently and comprise necessary parts of comprehensive higher education reform packages, solutions for current and future borrowers require distinct policy action. The paper focuses on relief for existing borrowers as a correction to that the harmful student loan experiment of recent decades. Thus, this section outlines some of the major debt reduction and relief policies for current borrowers, leaving discussion of financial assistance and free tuition programs for future students to other analyses.

Relief proposals for current borrowers may be understood to fit within several broad frameworks. Some researchers and policymakers have suggested reforms should focus on improving access to and simplifying the existing Income-Driven Repayment (IDR) program, which caps payments based on income, but has been insufficient in its current form to avert defaults and ongoing loan burdens among current borrowers. For example, Looney (2019) has suggested making the existing Revised Pay As You Earn (REPAYE) program, which caps payments at 10 percent of discretionary income, the default repayment plan for borrowers. Additional proposals (e.g. McKay and Kingsbury 2019, Baum and Chingos 2017) including bills introduced in Congress in recent years such as the Affordable Loans for Any Student Act, aim to improve IDR without providing direct loan relief (Affordable Loans for Any Student Act 2019).

Given the escalating debt burdens particularly among Black and other students of color, others have suggested that current student loan crisis requires direct relief to borrowers. Debates within this perspective have largely centered on eligibility, levels of forgiveness, and impacts on economically vulnerable populations and students of color (Huelsman 2019, Miller, Campbell, Cohen and Hancock 2019, Steinbaum 2019). In 2019, several candidates for the Democratic presidential nomination in 2020 proposed new debt relief proposals for current borrowers. Top candidates Warren and Sanders led the discussion, each with a substantial debt relief proposal that was part of a larger college affordability platform. In April 2019, Senator Warren announced a plan for student debt relief that would cancel up to $50,000 in student debt for each borrower in households with income of $100,000 or less, phasing out by $1 for every $3 in income above $100,000 up to $250,000 (Warren 2019).[2] Two months later, Senator Sanders introduced a bill that would eliminate all outstanding debt for all borrowers (Sanders 2019). Each of these proposals received significant attention last year, with ongoing debates about their impacts and progressivity. Several other former candidates, including Julián Castro, Kamala Harris and Pete Buttigieg, proposed more targeted loan forgiveness plans for smaller groups of eligible borrowers.

The rationale for debt relief has only gained strength with COVID-19's devastating economic impact on U.S. households. With over 20 million people unemployed and another ninemillion people furloughed in May 2020 (Shapiro 2020), the crisis already rivals the depths of the Great Depression. Even before this crisis, two in five American families reported being unable to cover an unexpected $400 in an emergency (Federal Reserve 2019). Consumer debt—an indicator of collective financial strain—has been steadily climbing in the past decade (Federal Reserve Bank of New York 2020). In this already challenging context, soaring unemployment will most likely destroy households' financial liquidity. Economically and racially marginalized households were already at greatest risk for catastrophic consequences, whether job loss or vulnerability to the coronavirus (Pirtle 2020). The

[2] Our research team analyzed the racial wealth impacts of this proposal for Senator Warren, providing the impetus for the present paper. See https://elizabethwarren.com/wp-content/uploads/2019/04/Experts-Letter-to-Senator-Warren-.pdf.

unemployment rate for Black Americans was 16.8 percent in May 2020, compared to 12.4 percent for white workers (Bureau of Labor Statistics 2020).

Alleviating these growing economic vulnerabilities and inequalities will require significant government action at the federal, state, and local levels. One major lever available to the federal government is student debt forgiveness. Debt forgiveness has appeal as part of a stimulus plan, since money otherwise going to creditors will be freed up for families' spending. Moreover, federal student loans, by virtue of their ownership by government, can be more easily erased than other forms of debt (e.g., mortgages and consumer debt). So far, however, the federal government has offered economic support primarily through new debt mechanisms or extending preexisting debt terms, which do not address the longer economic crisis that will most likely follow (Foohey, Jiménez and Odinet 2020a, 2020b). But the recent debate on student debt forgiveness has laid major groundwork for this moment, hashing out means by which the federal government could forgive some or all student debt.[3]

Policy Aims and Structure of the Analysis

Our analysis aims to contribute to this area of the policy discussion by providing further insight into the projected effects of student loan debt relief plans by estimating the impacts of debt relief proposals on wealth, with a specific focus on impacts for racial wealth inequality. Evidence presented above suggests the student loan system is broken, and the current student loan crisis uniquely harms the current generation of borrowers, particularly Black borrowers. In undertaking any policy analysis, core goals by which the policy will be judged must be established (Bardach 2012). It is therefore important to establish key aims for any student debt relief policy and measures by which we would judge that policy successful. Broadly, our policy goals and metrics for addressing the student debt crisis include:

- Providing substantial, widespread relief as measured by percentage of borrowers who receive full debt cancellation;

[3] Some have argued that most student debt could be erased through an executive order, without congressional approval (Herrine 2019).

- Generating significant relief for the most vulnerable borrowers, operationalized as the percentage of borrowers who move from negative to positive net worth values, particularly among Black borrowers;[4] and
- Promoting greater racial equity as measured by the racial wealth gap, measured in relative and absolute wealth gains.

The rest of this paper evaluates potential design options for a national student debt relief policy, primarily different levels of debt forgiveness, by estimating how the projected policy impacts our stated measures. The remainder of the paper is as follows: the next section outlines our data and methods. Then we present our findings and evaluate them in light of our policy goals. We conclude by discussing the implications of our findings for policy design and passage in the area of student debt relief.

DATA AND METHODS

Data

Data for this paper come from the Survey of Consumer Finances, a comprehensive triennial survey of U.S. families' financial lives. We use data for 2016, the most recent year available. The SCF is sponsored by the Federal Reserve Board and the U.S. Department of the Treasury. Data collection is implemented by the National Opinion Research Center (NORC) at the University of Chicago. The SCF relies on a dual-frame sampling design. Roughly three quarters of respondents are selected using a multi-stage area probability design common in national survey research. In an effort to include enough wealthier families in the sample, the remaining respondents are sampled from a group of wealthier households identified using tax data records. As a result, the SCF allows analysts to generate robust estimates for the whole range of the asset distribution. We use non-response adjusted sampling weights provided by the Federal Reserve to correct for differences in the probability of selection across respondents. The

[4] The Aspen Institute and the Center for American Progress (CAP) have published recent papers looking at potential student debt relief plans that establish meaningful goals for policy proposals in this area, though each defines and operationalizes their goals distinctively. Our policy goals align somewhat more with those outlined in the CAP analysis. See McKay and Kingsbury 2019 and Miller et al. 2019.

final sample includes 6,248 households, of which 1,216 (roughly 20 percent) report holding student debt.

The unit of analysis in the SCF is the "primary economic unit" (PEU), which refers to a subset of the sampled household. The PEU is comprised of an economically dominant focal unit (either a single individual or a focal couple) and all other household members who are "financially interdependent" with that focal unit.[5] Given the focus on the PEU, former students who move back into the family residence but maintain financial independence may not be captured in the SCF. Students living in dormitories are also not considered eligible households (although they may appear in their parents' household if reported) (SCF Staff, 2019). These sampling issues may lead to downward biases in estimates of total student loan volume, and could explain discrepancies in 2016 student loan estimates between the SCF ($962 billion in total) and other sources like the Federal Reserve ($1.4 trillion in 2016) (2020) and the Federal Reserve Bank of New York ($1.3 trillion, 2016:Q4) (2020). Given the greater impact of student loans on returning to the parental home for Black borrowers (Houle and Warner 2017), estimates of debt for Black households in particular may be downwardly biased. This would bias estimates of policy impacts, although the direction of bias is difficult to determine a priori and depends on various parameters.

Student Debt Cancellation Outcomes

We examine the projected impact of student debt cancellation on median net worth for white and Black households at cancellation levels up to $50,000. We estimate the proportion of borrowing households experiencing full debt cancellation under given policies, and the proportion of borrowing households with negative net worth experiencing a return to zero or positive net worth under given policies. We used projected net worth to compute absolute and relative wealth gains. Absolute gains are estimated as the difference between observed net worth and modelled net worth. Relative gains are estimated as the ratio of modelled net worth to observed net worth. We provide estimates of average wealth gains per household for a sample comprised of borrowers only, and for all households.

[5] SCF documentation notes that "[t]he great majority of the time, the PEU and the household are identical".

We estimate loan cancellation effects on household net worth by eliminating up to the cancelled amount from each individual borrowers' student debt liabilities. This projection method assumes full participation in the program and only considers immediate first-order impacts. The method does not attempt to capture effects of increased wealth on investments and their long-term impacts on household net worth. It also does not model the impact of reduced loan payments on household disposable income and its potential effect on saving behavior.

Analyses assume that loan cancellations apply to individual loan holders, rather than households or individual loans. The SCF is not designed to provide balance sheet information for individual members of the PEU. We estimate student debt amounts for individual debt holders using information reported for individual loans. The SCF provides information on up to six student loans per household, plus a remainder "all other student loans" category. To obtain an approximate measure of the number of loan holders and the value of their loans for each PEU, we used information provided in the SCF regarding whose education each loan supported. Loans were reported as supporting 1) the respondent, 2) their spouse/partner, or 3) a child. Each of these categories was treated as an individual loan holder.

For example, if a household reported a total of $40,000 in loans, of which $15,000 was for respondent's education and $25,000 was for a child's education, we considered the household to have two individual loan holders. Under that assumption, a policy cancelling $20,000 in student loans would yield a $35,000 increase in net worth for the household. This assumption may underestimate total debt forgiveness. If loans supporting children's education are held evenly by two different individuals, for example, the household as a whole would receive an additional $5,000 in forgiveness. This bias is likely to be minimal, however, because relatively few households report more than one loan holder (1,061 households report one holder, 153 report two, and only two report three).

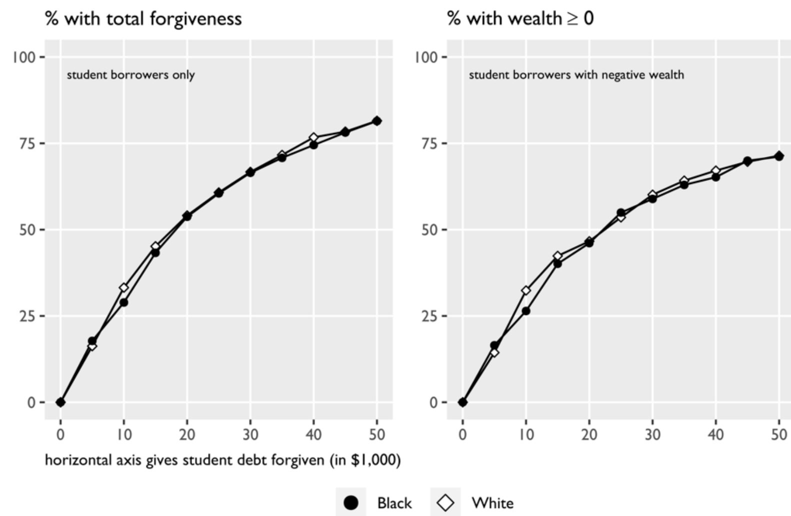
Race and Ethnicity Variables

Characteristics of households in the SCF are reported for the PEU head, defined in the survey as the single core individual in households without a core couple, and either the male (for mixed-sex couples) or the older individual (for same-sex couples) in partnered or married households. "White" refers to non-mixed race, non-Hispanic white heads of household and "Black" refers to non-mixed race, non-Hispanic Black heads of household.

RESULTS

Figure 1 provides estimates of the proportion of households with student debt borrowers that would experience full student debt cancellation at different forgiveness levels (left panel) and of the proportion of households with student borrowers that currently have negative wealth who would return to zero or positive wealth under a given cancellation policy (right panel). In both figures, the horizontal axis shows the proposed cancelled student debt amount, in thousands of dollars. For instance, the left panel indicates that providing $40,000 in student debt relief for individual borrowers would provide full student loan forgiveness for roughly 75 percent of Black and white households with a member that holds student debt.

Figure 1. Impact of Loan Forgiveness on Selected Measures of Policy Reach



The projections presented in Figure 1 address our first and second stated policy goals—reach of relief and significance for the most vulnerable borrowers. Estimates in the left panel of the figure suggest that larger debt cancellation amounts translate directly to a wider spread of benefits, with the largest marginal gains in relief occurring at lower cancellation amounts. Importantly, estimates of full relief for Black and white households are substantively almost identical. This suggests that while student debt forgiveness may not disproportionately reach Black borrowers—and therefore does not directly reduce racial inequality among borrowers—its spread pattern is also not regressive.

The right panel of Figure 1 provides estimates of relief obtained by the most vulnerable borrowers by showing the expected percentage of student borrowing households with negative net worth that would return to positive net worth under different forgiveness amounts. The estimates again suggest an increase in reach for increases in the cancelled amount, with the largest marginal gains occurring at lower cancellation amounts. The proportion of most vulnerable borrowers experiencing a significant enough wealth transfer to return to positive net worth is again similar for Black and white households at all estimated cancellation amounts.

Figure 2. Projected Median Wealth Changes, Student Borrowers Only

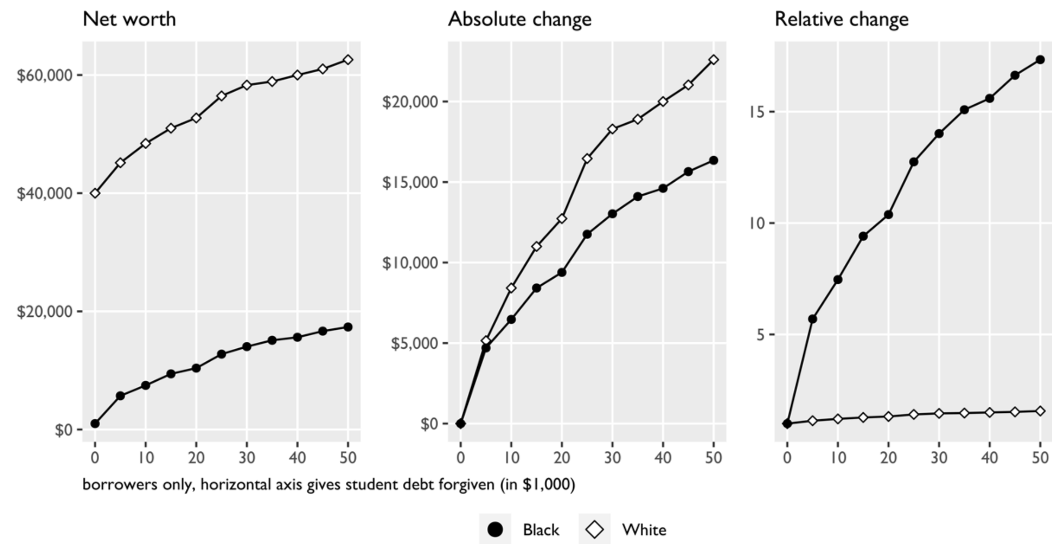


Figure 2 examines projected median wealth under different cancellation policies, focusing only on households with student borrowers. These projections allow us to estimate expected average returns for households directly targeted by the policy intervention. The first panel provides estimates of projected net worth. Observed actual median net worth among borrowing households is provided as the estimated net worth under a policy cancelling zero debt. The second panel focuses on the expected absolute net worth gain at the median over observed net worth (projected minus actual net worth). The third panel focuses on the expected relative net worth gain (projected divided by actual net worth).

Figure 2 suggests the following conclusion. First, trends in net worth for Black and white households indicate that while both groups of borrowers stand to experience a substantial wealth increase from student loan forgiveness, the magnitude of the racial wealth gap among student borrowers remains essentially unchanged at any forgiveness level considered. Second, the marginal increase in wealth per increase in the cancellation amount is below one for the whole range (meaning wealth increases slower than debt cancellation), and the marginal return lowers further as cancelled amounts increase. Differences in patterns of debt holding across Black and white households mean that marginal returns to wealth decrease faster for Black households. The result is that for virtually any cancellation amount considered, white borrowers experience greater average wealth gains than Black borrowers.

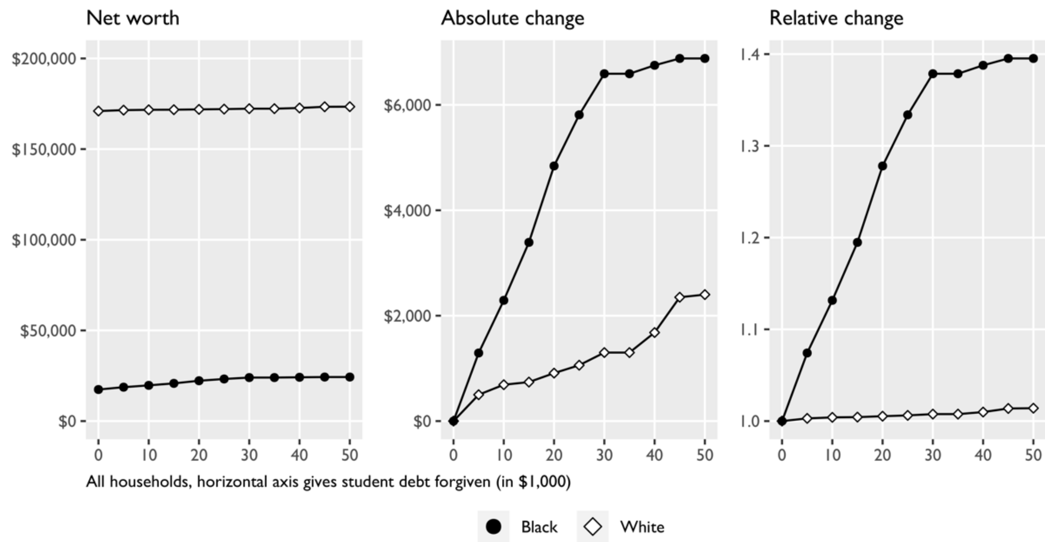
While not immediately obvious from the first panel, the second panel makes clear that student debt cancellation leads to a slight *increase* in the racial wealth gap among borrowers.

However, the third panel of Figure 2 shows that in relative terms, Black borrowers *disproportionately benefit* from the modelled debt cancellations. Partly this reflects Black borrowers' extremely low observed net worth. Under these circumstances, even relatively small cancellation amounts lead to a massive relative increase in wealth. Cancelling $20,000 of student debt means a slightly more than tenfold increase in Black wealth for this population. Gains for white households are also significant, although dwarfed in the figure by Black borrowers' large relative gains.

Another consideration is the number of households affected. The racial difference in student debt is driven primarily by the much greater proportion of Black households holding student debt relative to whites. In 2016, 20.2 percent of white households held a student loan compared with 30.7 percent of Black households. Among student debt holders, average loan amounts are actually roughly similar for both groups—$19,100 at the median for white households and $20,000 for Black households (authors' estimated using the Survey of Consumer Finances). Thus, the total percentage of Black households who would benefit from a student loan forgiveness policy would be greater than for white households.

Overall, these estimates suggest that student debt cancellation may have a transformative impact on Black borrowers through its positive impact on net worth. As a means for reducing wealth *inequality* among borrowers, however, student debt cancellation appears to be more limited–not because the program is ineffective as a wealth transfer initiative, but because the racial wealth gap is so large that a much broader reparative policy initiative will be required to reduce it substantially.

Figure 3. Projected Median Wealth Changes, All Households



Finally, Figure 3 provides similar estimates of changes in median wealth for Black and white households, but this time averaged over the entire population. Estimates for the entire population provide information different from our earlier focus on borrowers, because borrowers do not make up the same proportion of the Black and white population. A larger proportion of the Black population holds student debt relative to the white population. This means that debt cancellation has the potential to reach a greater proportion of all Black households and have a greater impact on overall Black wealth, even though white borrowers individually receive larger cancellation amounts than Black ones.

The first panel of Figure 3 again suggests that overall racial wealth inequality is essentially unaffected by student loan forgiveness. The overall magnitude of the gap remains the same at all cancellation levels. The second panel allows a better understanding of changes in wealth level resulting from different policies. By contrast to estimates reported in the previous figure, we see that student debt cancellation has a larger positive impact on Black households than white households on average—primarily due to the fact that more Black households hold debt compared to white households. Black households experience relatively constant marginal wealth gains for cancellation amounts up to $30,000. Marginal gains more or less plateau beyond this amount. The final panel of Figure 3 shows that overall Black wealth is also projected to increase substantially in relative terms (up to a nearly 40 percent increase at the highest cancellation amounts modelled) while the relative impact on average white wealth remains modest.

CONCLUSION

Our analysis finds student debt forgiveness would impact economic wellbeing substantially, completely eliminating educational debt for three quarters of student debtors at levels of $40,000 and above. Relief to reduce the burden of debt payments is particularly important in these challenging times in which economic vulnerability has spread along with the pandemic. While we do not model them here, others have shown student debt forgiveness also has a net positive economic impact (Fullwiler, Kelton, Ruetschlin, and Steinbaum 2018), which could serve as a stimulus to bolster the economy in light of the economic fallout from the pandemic. A natural experiment in cancellation of debt from a for-profit shows immediate personal improvements ranging from increased income to geographic mobility (DiMaggio, Kalda and Yao 2019). The positive effects of an evidence-based student debt cancellation policy for individuals and households extend far beyond the immediate need of removing burdensome debt. The ramifications for financial and personal well-being, credit, job stability and satisfaction, homeownership earlier in the life course, capacity to build wealth for emergencies, human capital investments, family stability, and accumulating wealth can multiply throughout a person's life.

Overall, these results indicate that while individual white borrowers at the median stand to gain the most in absolute dollars from student debt cancellation, the relative gains for Black borrowers are much larger and the greater proportion of Black borrowers means that Black wealth overall would experience more growth as a result. Given the many advantages wealth confers in the contemporary U.S. context, the substantial increase in Black net worth is a very significant positive contribution of student debt cancellation, one with potentially transformative positive impacts for Black families overall. As a tool to reduce wealth *inequality* specifically, however, estimates show that student debt cancellation alone is not a sufficient approach. The magnitude of the racial wealth gap and patterns of student debt holding among Black and white households are such that even relatively generous cancellation policies fail to make a significant dent in the massive existing racial wealth disparity.

However, we still believe there is ample reason to pursue student debt forgiveness for reasons of racial equity. The student loan program itself has disproportionate racial impacts, and pursuing harm reduction by eliminating present and future debt is a worthy goal. In addition, future research should more fully model the impact of debt forgiveness by factoring in the total saved through interest and fees not paid, which is likely to also disproportionately benefit Black families.

We applaud the successful foregrounding of student debt as an issue for federal and state governments to address through forgiveness as opposed to new loan products or terms. We see student debt forgiveness as part of a larger set of necessary educational reforms in funding structure, all of which together can work towards greater racial equity (Jiménez and Glater 2020). Restructuring how college is paid for is increasingly urgent as higher education faces the simultaneous impact of an uncontained pandemic and severe economic downturn, with negative implications for tuition revenue, public funding streams, and investments.

REFERENCES

Addo, Fenaba, Jason N. Houle, and Daniel Simon. 2016. "Young, Black, and (Still) in the Red: Parental Wealth, Race, and Student Loan Debt." *Race and Social Problems* 8: 64-76.

Affordable Loans for Any Student Act, S. 1002, 116th Cong. (2019). https://www.congress.gov/bill/116th-congress/senate-bill/1002/text?q=%7B%22search%22%3A%5B%22Affordable+Loans+for+Any+Student+Act%22%5D%7D&r=1&s=1.

American Academy of Arts and Sciences. 2015. "Public Research Universities: Changes in State Funding." Cambridge, Massachusetts: The Lincoln Project: Excellence and Access in Public Higher Education. https://www.amacad.org/sites/default/files/academy/multimedia/pdfs/publications/researchpapersmonographs/PublicResearchUniv_ChangesInStateFunding.pdf.

Baker, Dominique J. 2019. "When Average Is Not Enough: A Case Study Examining the Variation in the Influences on Undergraduate Debt Burden." *AERA Open* 5, no. 2 (April-June): 1-26. https://journals.sagepub.com/doi/pdf/10.1177/2332858419860153.

Bardach, Eugene. 2012. *A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving*. 4th ed. Los Angeles: Sage CQ Press.

Baum, Sandy and Matt Chingos. 2017. "Reforming Federal Student Loan Repayment: A Single, Automatic, Income-Driven System." Washington, DC: Urban Institute. https://files.eric.ed.gov/fulltext/ED578898.pdf.

Popp Berman, Elizabeth, and Abby Stivers. 2015. "Student loans as a pressure on US higher education." P. 129-160 in *Research in the Sociology of Organizations* 46 (eds. Elizabeth Popp Berman and Catherine Paradeise), available at http://www.emeraldinsight.com/doi/pdfplus/10.1108/S0733-558X20160000046005.

Broton, Katherine M. and Sara Goldrick-Rab. 2018. "Going Without: An Exploration of Food and Housing Insecurity Among Undergraduates." *Educational Researcher* 47, no. 2 (March): 121—133. https://doi.org/10.3102/0013189X17741303.

Bruening Meg, Katy Argo, Devon Payne-Sturges, and Melissa N. Laska. 2017. "The Struggle Is Real: A Systematic Review of Food Insecurity on Postsecondary Education Campuses." *Journal of the Academy of Nutrition and Dietetics* 117, no. 11 (Nov.): 1767-1791. https://doi.org/10.1016/j.jand.2017.05.022.

Burd-Sharps, Sarah and Rebecca Rasch. 2015. "Impact of the US Housing Crisis on the Racial Wealth Gap Across Generations." Brooklyn, NY: Social Science Research Council.
https://www.aclu.org/sites/default/files/field_document/discrimlend_final.pdf.

Bureau of Labor Statistics. 2020. "The Employment Situation: May 2020." June 5. Press Release, July 2, 2020.
https://www.bls.gov/news.release/pdf/empsit.pdf.

Carnevale, Anthony P. and Nicole Smith. 2018. "Balancing Work and Learning: Implications for Low-Income Students." Washington, DC: Georgetown University Center on Education and the Workforce.
https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/Low-Income-Working-Learners-FR.pdf.

Charron-Chénier, Raphaël and Louise Seamster. 2018. "(Good) Debt is an Asset." *Contexts* 17, no. 1 (April): 88-90. https://doi.org/10.1177/1536504218767126.

College Promise Campaign. 2018. "Annual Report College Promise Campaign 2016-2017." Washington, DC: College Promise Campaign.
https://rpgroup.org/Portals/0/Documents/Conferences/RP_Conference/2018Materials/2018_Advancing_Student_Equity/CollegePromise_AnnualReport.pdf.

Darity, Jr., William, Darrick Hamilton, Mark Paul, Alan Aja, Anne Price, Antonio Moore, and Caterina Chiopris. 2018. "What we get wrong about closing the racial wealth gap." Durham, NC: Samuel DuBois Cook Center on Social Equity at Duke University and Insight Center for Community Economic Development.
https://socialequity.duke.edu/wp-content/uploads/2019/10/what-we-get-wrong.pdf.

Di Maggio, Marco, Ankit Kalda, and Vincent Yao. 2019. "Second Chance: Life without Student Debt." Cambridge, MA: NBER Working Paper No. 25810. https://www.nber.org/papers/w25810.

Federal Reserve. 2019. "Report on the Economic Well-Being of U.S. Households in 2018." Washington, DC: Board of Governors of the Federal Reserve System.
https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf.

Federal Reserve. 2020. Consumer Credit — G.19. Last updated July 8, 2020.
https://www.federalreserve.gov/releases/g19/current/default.htm.

Federal Reserve Bank of New York. 2020. "Household Debt and Credit Report (Q1 2020): Non-Housing Debt Balance." New York: Federal Reserve Bank of New York.
https://www.newyorkfed.org/microeconomics/hhdc.html.

Foohey, Pamela, Dalie Jiménez, and Christopher Odinet. 2020 Forthcoming. “The Debt Collection Pandemic.” California Law Review Online. Available at SSRN: https://ssrn.com/abstract=3598623.

Foohey, Pamela and Jiménez, Dalié and Odinet, Christopher K. 2020 Forthcoming. “The Folly of Credit as Pandemic Relief.” April 29, 2020, UCLA L. Rev. Disc. 68. Available at SSRN: https://ssrn.com/abstract=3588355.

Fullwiler, Scott, Stephanie Kelton, Catherine Ruetschlin, and Marshall Steinbaum. 2018. “The Macroeconomic Effects of Student Debt Cancellation.” Annandale-on-Hudson, NY: The Levy Institute. http://www.levyinstitute.org/pubs/rpr_2_6.pdf.

Gilens, Martin. 2009. *Why Americans hate welfare: Race, media, and the politics of antipoverty policy*. Chicago: University of Chicago Press.

Goldrick-Rab, Sara, Jed Richardson, and Anthony Hernandez. 2017. “Hungry and Homeless in College: Results from a National Study of Basic Needs Insecurity in Higher Education.” Madison, WI: Wisconsin HOPE Lab. https://www.acct.org/files/Publications/2017/Homeless_and_Hungry_2017.pdf.

Goldstein, Andrea. 2019. “The Morehouse Gift, in Context: An Average Black Graduate Has $7,400 More in Debt Than White Peers.” *New York Times*, May 20, 2019. https://www.nytimes.com/2019/05/20/us/student-debt-america.html.

Grinstein-Weiss, Michal, Dana C. Perantie, Samuel H. Taylor, Shenyang Guo, and Ramesh Raghavan. 2016. "Racial disparities in education debt burden among low-and moderate-income households." *Children and youth services review* 65: 166-174.

Hamilton, Darrick, and Sandy Darity. 2017. “The Political Economy of Education, Financial Literacy, and the Racial Wealth Gap.” *Federal Bank of St. Louis Reserve Review* 99, no. 1: (First Quarter) 59-76. http://dx.doi.org/10.20955/r.2017.59-76.

Hamilton, Darrick, and Naomi Zewde. 2020. “Promote economic and racial justice: Eliminate student loan debt and establish a right to higher education across the United States.” Washington, DC: Washington Center for Equitable Growth. https://equitablegrowth.org/wp-content/uploads/2020/05/hamilton-zwede.pdf.

Hamilton, Darrick, William A. Darity, Anne E. Price, Vishnu Sridharan, and Rebecca Tippett. 2015. "Umbrellas Don't Make It Rain: Why Studying and Working Hard Isn't Enough for Black Americans." Oakland, CA: Insight Center for Community Economic Development. http://www.insightcced.org/wpcontent/uploads/2015/08/Umbrellas_Dont_Make_It_Rain_Final.pdf.

Harris, Alexes. 2016. *A pound of flesh: Monetary sanctions as punishment for the poor*. New York: Russell Sage Foundation.

Haughwout, Andrew F., Donghoon Lee, Joelle Scally, and Wilbert van der Klaauw. 2019. "Just Released: Racial Disparities in Student Loan Outcomes." New York: Federal Reserve Bank of New York. https://libertystreeteconomics.newyorkfed.org/2019/11/just-released-racial-disparities-in-student-loan-outcomes.html.

Henricks, Kasey, and Daina Cheyenne Harvey. 2017. "Not One But Many: Monetary Punishment and the Fergusons of America." *Sociological Forum* 32, S1: 930-51.

Henricks, Kasey, and Louise Seamster. 2017. "Mechanisms of the Racial Tax State." *Critical Sociology* 43, no. 2: 169-179.

Herrine, Luke. 2019. "The Law and Political Economy of a Student Debt Jubilee (June 2, 2020). *Buffalo Law Review* Forthcoming. Available at SSRN: https://ssrn.com/abstract=3442234.

Houle, Jason N., and Fenaba R. Addo. 2018. "Racial Disparities in Student Debt and the Reproduction of the Fragile Black Middle Class." *Sociology of Race and Ethnicity* 5, no. 4: 562-77. https://doi.org/10.1177/2332649218790989.

Huelsman, Mark. 2019. "Debt to Society: The Case for Bold, Equitable Student Loan Cancellation and Reform." New York: Demos. https://www.demos.org/sites/default/files/2019-06/Debt%20to%20Society.pdf.

Hunt, John. 2018. "Help or Hardship?: Income-Driven Repayment in Student-Loan Bankruptcies." *Georgetown Law Journal* 106, no. 5 (June): 1287-1351.

Jackson, Brandon A., and John R. Reynolds. 2013. "The Price of Opportunity: Race, Student Loan Debt, and College Achievement." *Sociological Inquiry* 83, no. 3 (May): 335-368.

Jiménez, Dalié, and Jonathan Glater. 2020. "Student Debt is a Civil Rights Issue: The Case for Debt Relief and Higher Education Reform." *Harvard Civil Rights-Civil Liberties Law Review (CR-CL)* 55, no. 1.

Kahn, Suzanne and Julie Margetta Morgan. 2020. "Three Reasons to Worry about the House Democrats' New Student Debt Proposal." *Roosevelt Institute* (blog). May 15, 2020. https://rooseveltinstitute.org/three-reasons-to-worry-about-house-democrats-new-student-debt-proposal/

Kahn, Suzanne, Mark Huelsman, and Jen Mishory. 2019. "Bridging Progressive Policy Debates: How Student Debt and the Racial Wealth Gap Reinforce Each Other." New York: Roosevelt Institute. https://rooseveltinstitute.org/wp-content/uploads/2019/08/RI_Student-Debt-and-RWG-201909.pdf.

Kelchen, Robert, and Amy Y. Li. 2017. "Institutional Accountability: A Comparison of the Predictors of Student Loan Repayment and Default Rates." *The ANNALS of the American Academy of Political and Social Science* 671, no. 1 (2017): 202-223.

Kiel, Paul and Annie Waldman. 2015. "The Color of Debt: How Collection Suits Squeeze Black Neighborhoods." *ProPublica*, October 8, 2015. https://www.propublica.org/article/debt-collection-lawsuits-squeeze-black-neighborhoods.

Killewald, Alexandra. 2013. "Return to *Being Black, Living in the Red*: A Race Gap in Wealth That Goes beyond Social Origins." *Demography* 50: 1177—95.

Looney, Adam and Constantine Yannelis. 2015. "A Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions They Attended Contributed to Rising Loan Defaults." Washington, DC: The Brookings Institution. https://www.brookings.edu/wp-content/uploads/2015/09/LooneyTextFall15BPEA.pdf.

Loonin, Deanne and Alys Cohen. 2008. "Paying the Price: The High Cost of Private Student Loans and the Dangers for Student Borrowers." Boston, MA: National Consumer Law Center. https://www.studentloanborrowerassistance.org/wpcontent/uploads/2013/05/Report_PrivateLoans.pdf.

Laster Pirtle, Whitney N. 2020. "Racial Capitalism: A Fundamental Cause of Novel Coronavirus (COVID-19) Pandemic Inequities in the United States." *Health Education & Behavior* 47, no. 4 (August): 504-508. https://doi.org/10.1177/1090198120922942.

Looney, Adam. 2019a. "How progressive is Senator Elizabeth Warren's loan forgiveness proposal?" Up Front (blog). *Brookings Institution*. April 24, 2019. https://www.brookings.edu/blog/up-front/2019/04/24/how-progressive-is-senator-elizabeth-warrens-loan-forgiveness-proposal/.

Looney, Adam. 2019b. "A better way to provide relief to student loan borrowers." Up Front (blog). *Brookings Institution*. April 30, 2019. https://www.brookings.edu/blog/up-front/2019/04/30/a-better-way-to-provide-relief-to-student-loan-borrowers/.

Looney, Adam, and Constantine Yannelis. 2018. "Borrowers with Large Balances: Rising Student Debt and Falling Repayment Rates." Washington, DC: Brookings Institution. https://www.brookings.edu/wp-content/uploads/2018/02/es_20180216_looneylargebalances.pdf.

Morgan, Julie Margetta, and Marshall Steinbaum. 2018. "The Student Debt Crisis, Labor Market Credentialization, and Racial Inequality: How the Current Student Debt Debate Gets the Economics Wrong." New York: Roosevelt Institute. https://rooseveltinstitute.org/wp-content/uploads/2018/10/The-Student-Debt-Crisis-and-Labor-Market-Credentialization-final-1.pdf.

Moultrie, Tiara, Laura Sullivan, Andrea McChristian, and Ryan P. Haygood. 2020. "Freed from Debt: A Racial Justice Approach to Student Loan Reform in New Jersey." Newark, NJ: New Jersey Institute for Social Justice.

McKay, Katherine Lucas and Diana Kingsbury. 2019. “Student Loan Cancellation: Assessing Strategies to Boost Financial Security and Economic Growth.” Washington, DC: The Aspen Institute. https://assets.aspeninstitute.org/content/uploads/2019/04/EPIC_Student_Loan_Cancellation.pdf?_ga=2.151011065.1130920783.1561493307-1449172680.1559743736.

McMillan Cottom, Tressie. 2017. *Lower Ed: The Troubling Rise of For-Profit Colleges in the New Economy*. New York: New Press.

Mezza, Alvaro A., Daniel R. Ringo, Shane M. Sherlund, and Kamila Sommer. 2016. “On the Effect of Student Loans on Access to Homeownership.” Finance and Economics Discussion Series 2016-010. Washington, DC: Board of Governors of the Federal Reserve System. http://dx.doi.org/10.17016/FEDS.2016.010.

Mitchell, Josh, and Andrea Fuller. 2019. “The Student-Debt Crisis Hits Hardest at Historically Black Colleges.” *Wall Street Journal*, April 17, 2019. https://www.wsj.com/articles/the-student-debt-crisis-hits-hardest-at-historically-black-colleges-11555511327.

Miller, Ben, Colleen Campbell, Brent J. Cohen, and Charlotte Hancock. 2019. “Addressing the $1.5 Trillion in Federal Student Loan Debt.” Washington, DC: Center for American Progress. https://www.americanprogress.org/issues/education-postsecondary/reports/2019/06/12/470893/addressing-1-5-trillion-federal-student-loan-debt/.

Mitchell, Michael, Michael Leachman, and Kathleen Masterson. 2016. “Funding Down, Tuition Up State Cuts to Higher Education Threaten Quality and Affordability at Public Colleges.” Washington, DC: Center on Budget and Policy Priorities. https://www.cbpp.org/sites/default/files/atoms/files/5-19-16sfp.pdf.

Nam, Yanju, Darrick Hamilton, William A. Darity, Jr., and Anne E. Price. 2015. “Bootstraps are for Black Kids: Race, Wealth, and the Impact of Intergenerational Transfers on Adult Outcomes.” Durham, NC: Samuel DuBois Cook Center on Social Equity at Duke University. https://socialequity.duke.edu/wp-content/uploads/2019/10/Bootstraps-are-for-Black-Kids-Sept.pdf.

National Association of Realtors. 2017. “2017 Profile of Home Buyers and Sellers.” Chicago, IL: National Association of Realtors. https://www.nar.realtor/sites/default/files/documents/2017-profile-of-home-buyers-and-sellers-11-20-2017.pdf.

Odinet, Christopher K. 2019. “The New Data of Student Debt.” *Southern California Law Review*, *92*.

Oliver, Melvin L., and Thomas M. Shapiro. 2019. "Disrupting the Racial Wealth Gap." *Contexts* 18, no.1 (March): 16-21.

Rugh, Jacob S., Len Albright, and Douglas S. Massey. 2015. "Race, space, and cumulative disadvantage: A case study of the subprime lending collapse." *Social Problems* 62, no. 2 (May): 186-218.

Sanders, Bernie. 2019. “The Bernie Sanders College for All Fact Sheet.” https://www.sanders.senate.gov/download/college-for-all-fact-sheet-2019?id=56ACCE62-4590-4329-9D74-A6DE815831AD&download=1&inline=file.

SCF Staff, 2019. Email Correspondence, July 10.

Scott-Clayton, Judith, and Jing Li. 2016. “Black-white disparity in student loan debt more than triples after graduation.” Washington, DC: Brookings Institution. https://www.brookings.edu/wp-content/uploads/2016/10/es_20161020_scott-clayton_evidence_speaks.pdf.

Scott-Clayton, Judith E. 2018. "The Looming Student Loan Crisis Is Worse Than We Thought." Washington, DC: Brookings Institution. https://www.brookings.edu/wp-content/uploads/2018/01/scott-clayton-report.pdf.

Seamster, Louise. 2019. “Black Debt, White Debt.” *Contexts* 18, no. 1 (March): 30-35. https://journals.sagepub.com/doi/pdf/10.1177/1536504219830674.

Seamster, Louise, and Kasey Henricks. 2015. "A Second Redemption? Racism, Backlash Politics, and Public Education." *Humanity & Society* 39, no. 4 (November): 363-375.

Seamster, Louise, and Raphaël Charron-Chénier. 2017. "Predatory Inclusion and Education Debt: Rethinking the Racial Wealth Gap." *Social Currents* 4, no. 3 (June): 199-207.

Shapiro, Robert. 2020. “No, the Unemployment Rate Didn’t Really Drop in May.” *Washington Monthly*, June 5, 2020. https://washingtonmonthly.com/2020/06/05/no-the-unemployment-rate-didnt-really-drop-in-may/.

St. Louis Fed Reserve Bank. 2020. “Student Loans Owned and Securitized, Outstanding.” Last updated July 8, 2020. https://fred.stlouisfed.org/series/SLOAS.

Steinbaum, Marshall. 2019. “Student Debt and Racial Wealth Inequality.” New York: Jain Family Institute. https://phenomenalworld.org/media/pages/analysis/student-debt-racial-wealth-inequality/551557161577199400/marshall_steinbaum_student_debt_and_racial_wealth_inequality_final_8-7-19.pdf.

Strada. 2020. “Public Viewpoint: COVID-19 Work and Education Survey.” Indianapolis, IN: Strada Center for Consumer Insights. https://www.stradaeducation.org/wp-content/uploads/2020/06/Public-Viewpoint-Report-Week-9.pdf.

Student Borrower Protection Center. 2020 “Disparate Debts: How Student Loans Drive Racial Inequality Across Cities.” Washington, DC: Student Borrower Protection Center. https://protectborrowers.org/wp-content/uploads/2020/06/SBPC-Disparate-Debts.pdf.

Sullivan, Laura, Tatjana Meschede, Lars Dietrich, Thomas Shapiro, Mark Huelsman, and Tamara Draut. 2015. "Less Debt, More Equity: Lowering Student Debt While Closing the Black-White Wealth Gap." Waltham, MA: Institute on Assets and Social Policy, Brandeis University. https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/racial-wealth-gap/less-debt.pdf.

Sullivan, Laura, Tatjana Meschede, Tom Shapiro, and Fernanda Escobar. 2019. "Stalling Dreams: How Student Debt is Disrupting Life Chances and Widening the Racial Wealth Gap." Waltham, MA: Institute on Assets and Social Policy, Brandeis University. https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/racial-wealth-gap/stallingdreams-how-student-debt-is-disrupting-lifechances.pdf.

Taylor, Matt. 2018. "Here's Fresh Evidence Student Loans Are a Massive, Generational Scam" (interview with Julie Morgan). *Vice*, October 17, 2018. https://www.vice.com/en_us/article/pa9899/heres-fresh-evidence-student-loans-are-a-massive-generational-scam.

Zewde, Naomi, and Darrick Hamilton. 2019. "Cancel All the Student Debt: It's About Economic and Racial Justice." *Rewire News*, October 14, 2019. https://rewire.news/article/2019/10/14/cancel-all-the-student-debt-its-about-economic-and-racial-justice/.