

## **RESOLUTION**

**NO. R-21-317**

**CITY HALL: August 19, 2021**

**BY: COUNCILMEMBER BROSSETT**

**SECONDED BY:**

**WHEREAS**, the United States is facing historic public health and economic crises caused by the coronavirus (COVID– 19) pandemic that threatens the financial well-being of nearly every American family; and

**WHEREAS**, even before the COVID–19 pandemic, the United States also faced a historic student loan crisis, which is currently holding back our struggling economy and restricting opportunity and prosperity for millions of American families; and

**WHEREAS**, Cancelling student loan debt and eliminating debt in higher education represents an enormous economic opportunity for the City of New Orleans to increase spending in our local community, support individuals' upward mobility, and provide a deeply needed stimulus during the pandemic; and

**WHEREAS**, New Orleans is a proudly diverse city that is weighed down by student loan debt, with the average resident's student loan balance being \$38,862, about \$5,000 higher than the rest of the state; and

**WHEREAS**, College is more expensive – and more essential – than ever before. Advancements in technology are making it harder to earn a living wage without an advanced degree, and college graduates earn on average 80 percent more than those with a high school diploma. While college attendance is higher than ever before, the cost of college education has more than doubled over the past generation; and

**WHEREAS**, The student loan crisis is an issue of racial equity. On average, Black students are more likely to borrow student loans; Black borrowers owe more than white borrowers; and Black borrowers pay down their debt more slowly, in part due to the racial wealth gap, the racial pay gap, and racial discrimination in hiring. Black students who earned a bachelor's degree had a default rate nearly four times higher than similarly situated white peers due to complex facets of wealth and wage disparities and structural racism. Student debt

exacerbates the existing racial wealth gaps and holds many people of color back from building intergenerational wealth; and

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

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

**WHEREAS**, if left unaddressed, the student debt crisis will worsen inequality, exacerbate the current recession, widen the racial wealth gap, and slow economic recovery; and

**WHEREAS**, broad student loan debt cancellation would provide immediate relief to millions of American families who are struggling during this pandemic and recession, and prevent them from having an unsustainable student debt burden waiting for them once this pandemic is over; and

**WHEREAS**, Federal student loan debt is held by the United States government, and the Higher Education Act of 1965 gives the President and Secretary of Education the authority to cancel all of it; **NOW THEREFORE**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS**, That we hereby call on the federal government to leverage its authority to urgently address the student loan crisis by the end of President Biden's first year in office to cancel all student loan debt, or at least cancel \$50,000 in Federal student loan debt per borrower and begin the transition to education as a public good.

**THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:**

**YEAS:**

**NAYS:**

**ABSENT:**

**AND THE RESOLUTION WAS ADOPTED.**