# Champion Briefs

## Nov/Dec 2023
## Public Forum Brief

Resolved: The United States federal government should forgive all federal student loan debt.

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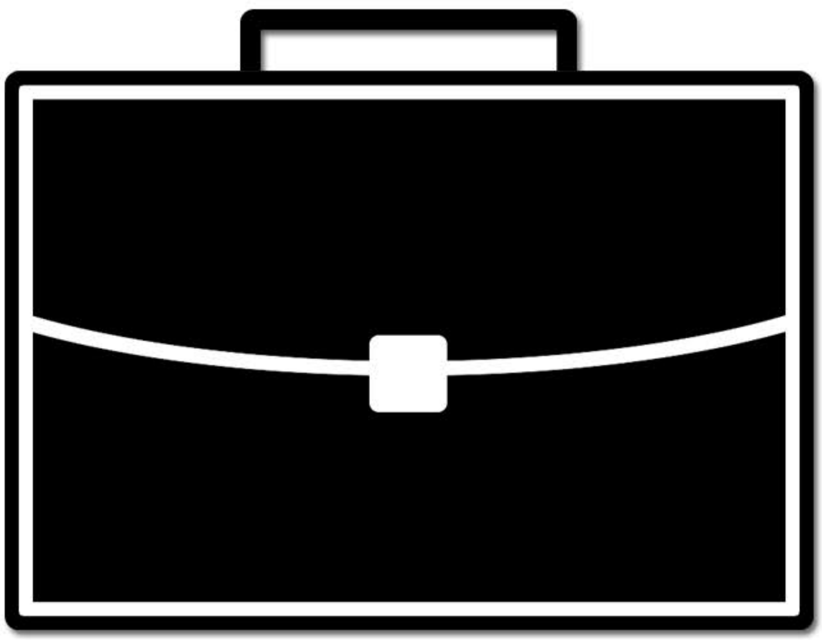

Resolved: The United States federal government should forgive all federal student loan debt.

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Speech and Debate provides a meaningful and educational experience to all who are involved. We, as educators in the community, believe that it is our responsibility to provide resources that uphold the foundation of the Speech and Debate activity. Champion Briefs, its employees, managers, and associates take an oath to uphold the following Evidence Standard:

1. We will never falsify facts, opinions, dissents, or any other information.
2. We will never knowingly distribute information that has been proven to be inaccurate, even if the source of the information is legitimate.
3. We will actively fight the dissemination of false information and will provide the community with clarity if we learn that a third-party has attempted to commit deception.
4. We will never knowingly support or distribute studies, news articles, or other materials that use inaccurate methodologies to reach a conclusion or prove a point.
5. We will provide meaningful clarification to any who question the legitimacy of information that we distribute.
6. We will actively contribute to students' understanding of the world by using evidence from a multitude of perspectives and schools of thought.
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These seven statements, while simple, represent the complex notion of what it means to advance students' understanding of the world around them, as is the purpose of educators.

## Letter from the Editor

The second debate topic for the 2023-2024 debate season is "Resolved: The United States federal government should forgive all federal student loan debt." This topic is highly relevant to many debaters attending college after graduating high school. It is an issue of vast economic and political significance which will inspire strong feelings from both sides. A strong debater will be able to balance normative arguments about the injustice of the student debt crisis with erudite public policy analysis.

Most people agree that student loan debt is a problem. Over the last two decades, college costs have spiraled out of control. Many young graduates will spend years paying back their loans. That money will trade-off with other investments like buying a house or a car. In total, student loan debt exceeds every other debt category except for mortgages in the American economy. Even people who believe that the sticker price of college tuition is worth the cost cannot help but wonder whether anything can be done to ease the financial burden on distressed borrowers. There are also important equity considerations because student debt adversely impacts marginalized groups.

The question is whether debt forgiveness is the best tool in the government's policy toolbox to solve the problem. Public policy analysis requires debaters to think about the various costs and tradeoffs of the options presented. Many debates will focus on questions such as "Does debt relief do anything about the underlying problem of college tuition?" and "Does debt relief trade-off with other welfare programs or efforts to reign in the cost of college?" Most Americans would agree that something has to be done about the rising cost of college, but the consensus breaks down over specific solutions. The art of the November-December topic will be to convince the judge that student debt relief is (or is not) the best tool for the job.

This topic is close to home for many debaters. Many judges will know people, or themselves, will be impacted by student loan debt. The best debaters will be able to navigate this topic with compassion and humility while retaining the passion that makes debate engaging. Best of luck to everyone competing!

Jakob Urda
Editor-in-Chief

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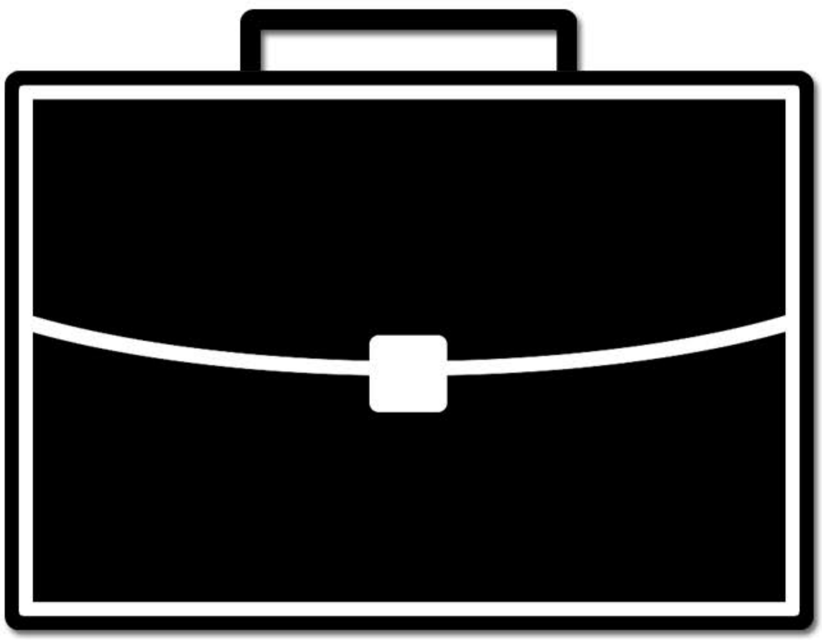

# Topic Analyses

## Topic Analysis by Jakob Urda

***Resolved: The United States federal government should forgive all federal student loan debt.***

**Introduction**

Fewer issues are more front of mind for high school debaters than college tuition. With Americans owing over 1.7 trillion dollars in total student loan debt, this is a topic that is acutely felt across the country. This unprecedented burden shapes the lives of young people and follows them into adulthood. As a result, even minor changes to the federal student loan system will have massive reverberations with life-changing consequences.

The federal government is deeply enmeshed with higher education. Colleges receive federal grants for research and operations, tax write-offs, and access to low-interest federal student loans. Higher education occupies such a privileged place in our society because college is the gateway to social mobility. College graduates are substantially likely to out-earn their non-college-educated counterparts. College also facilitates self-discovery and creates networks of friends that enrich the personal and professional realms. For these reasons, the government has a strong public policy reason to encourage the American people to attend college.

As with many issues, the problem is easier to articulate than the solution. Nearly everyone agrees that college is important. Most also agree that college is too expensive. The question is whether student debt relief is the way to solve the issue. This topic requires debaters to juggle complex public policy issues such as tradeoffs to determine whether debt forgiveness is an appropriate solution. Students will have to analyze economics, political capital, and the democratic process. With such an important issue at stake, it seems clear that something must be done. The best teams will be able to argue the nuances of the topic to help the judge understand how debt forgiveness stacks up against the most likely alternative policy proposals.

**Background Information / Strategy Consideration**

To understand this topic, debaters must have a background understanding of student loans and their role in the American education system. Using history as an example is also an important argument tactic in public policy debates because it allows debaters to test the validity of their theoretical claims. A claim that is rooted in a historical analog is substantially more persuasive than a freestanding assertion.

The first major federal student loan program was the 1944 GI Bill. The Bill allowed service members to attend college by significantly reducing their tuition costs. The GI Bill is still used to provide free tuition for veterans. In 1958, President Eisenhower signed the National Defense Education Act, which offered grants and loans to those majoring in national security critical fields such as engineering, math, education, science, and foreign languages. In 1965, President Johnson signed the Higher Education Act, which substantially increased need-based assistance for college students. In 1972, the government created Pell Grants, which are a massive source of funding for need-based aid.

The federal student loan landscape changed dramatically in 1992 with the Higher Education Act Amendment, which allowed the federal government to offer *unsubsidized loans* to all students regardless of their financial needs. This led to an explosion in the amount of borrowing by students who previously did not have an easy source of loans for tuition. In 2005, President Bush signed the Higher Education Reconciliation Act, which made graduate students eligible for unsubsidized loans up to the full cost of tuition.

Most recently, student loan repayment and interest accrual were paused during the COVID-19 pandemic. This led to several years where borrowers did not have to repay their loans or accrue interest on their unpaid loans. Payments and interest restarted in October 2023. The Biden administration attempted to forgive ten thousand dollars in federal student loan debt for every borrower and an additional ten thousand dollars in forgiveness for every Pell Grant recipient. But in *Biden v. Nebraska*, the Supreme Court ruled that the Biden Administration's actions were unlawful and prevented student loan forgiveness. Despite the Supreme Court ruling, the federal government has the authority to pass student loan forgiveness if done through legislation. The reason President Biden lacked the authority was because the Court ruled he had exceeded his authorization under the HEROES Act.

When considering student loan forgiveness from a public policy perspective, debaters need to think about the incentives that debt forgiveness creates for the various parties involved. A deep understanding of tradeoffs is important for evaluating the most likely responses to such a policy by both student loan borrowers and higher education institutions.

Debaters should start by thinking about what student debt forgiveness does to individuals. For people who have student debt, forgiveness promises to erase an expensive monthly commitment. People will be able to reallocate the money that they had formerly marked for repaying their loans. This might mean spending more money on housing, childcare, or even future education. A team should consider what such an increase in spending might mean for the rest of the economy. For other individuals who never attended college, student debt relief would do nothing, at least in terms of changing their spending obligations. Debaters should consider how the government would fund student loan forgiveness, whether it be deficit financing, tax increases, or spending cuts. Each of these funding mechanisms has impacts on individual citizens.

Next, debaters should think about the second-order impacts of student debt forgiveness. These are impacts that emerge from the structural changes that would accompany student debt relief. For example, changes in university behavior and political institutions. If Universities admit more students or raise prices due to loan forgiveness, it impacts the long-term efficacy of the policy. Debaters should consider how the various second-order impacts of student debt forgiveness enhance or weigh against the direct impacts that they establish in case.

**Affirmative Arguments**

The affirmative team should consider arguments about how student loan forgiveness would tremendously help needy borrowers. They should try to establish impacts that expand the scope of their argument beyond the borrowers themselves by benefiting all of society. It would be particularly strategic to design impacts that touch groups who are not the recipients of student loan forgiveness, such as the non-college-educated population.

Affirmative teams can argue that student loan forgiveness will stimulate the economy by increasing consumer spending and reducing default rates. According to one study, canceling all student debt would boost GDP by up to $108 billion and create 1.5 million new jobs. This would have a substantial positive effect on people beyond college students. If college students have more money to buy goods and start up businesses, then everyone benefits from the new products and job opportunities.

Affirmative teams could also argue that student loan forgiveness would reduce inequality and promote social mobility by alleviating the burden of debt on low-income and minority students. According to a report by the American Association of University Women, women hold nearly two-thirds of the outstanding student debt in the U.S., and Black women graduate with the most debt of any group. By eliminating this debt, the affirmative team could claim that student loan forgiveness would empower these groups to pursue their career and life goals without financial constraints. This, in turn, would help address structural inequalities and create positive ripple effects in marginalized communities.

Affirmative teams should be ready to address arguments about how student debt forgiveness will not solve the root problem of expensive college and may indeed make the problem worse. Teams should go into the round with an idea of how their contentions "solve" this problem. For example, an affirmative team that runs an argument about benefiting the economy should argue that economic growth will create more job opportunities, making future generations more able to pay for college.

**Negative Arguments**

The negative team should make arguments about tradeoffs and exacerbating the root cause of the problem. They should attempt to cast the affirmative team as well-meaning but ultimately misguided.

Negative teams should argue that the funding for student loan forgiveness would come at the cost of targeted welfare programs. It is politically impossible that a student debt forgiveness bill would pass without budget cuts. The most likely budget cuts would come from programs that already help students pay for college because this would be seen as a "trade" by legislators who oppose the project. This means that programs like Pell Grants would be at risk in order to pass student loan forgiveness. Negative teams should argue that Pell Grants are inherently preferable to generalized student debt forgiveness because they target low-income students specifically.

Another argument that the negative team should make is that student loan forgiveness would exacerbate the root cause of the problem, which is the rising cost of higher education. They should contend that student loan forgiveness would create a moral hazard for colleges and universities, which would have no incentive to lower their tuition fees or improve their quality. Instead, they would expect the government to bail out their students every time they accumulate debt. This would lead to a vicious cycle of increasing debt and decreasing the value of education. The negative team should cite evidence that shows how student loan forgiveness would inflate the demand for higher education and drive up prices. They could also point out that student loan forgiveness would not address the underlying issues of access and affordability, which affect millions of potential students who are deterred from enrolling in college due to high costs.

This topic is rich for interesting, provocative rounds. The topic will reward those who diligently research and think creatively. Good luck, and have fun!

**About Jakob Urda**

Jakob grew up in Brooklyn, New York. He graduated from the University of Chicago with a BA in Political Science and is currently seeking a Juris Doctorate from the Georgetown University Law Center. Jakob debated for Stuyvesant High School where he won Blake, GMU, Ridge, Scarsdale, Columbia, the NCFL national championship, and amassed 11 bids. He coached the winners of the NCFL national tournament, Harvard, and Blake.

## Topic Analysis by Rachel Mauchline

***Resolved: The United States federal government should forgive all federal student loan debt.***

**Introduction**

As a teacher, I enjoy the process of helping students work through the decision-making that comes with choosing post-secondary plans. When individuals decide they want to attend college, the excitement is there until the price tag becomes a massive barrier. For decades, this has led to mostly three primary options for individuals. First, don't attend college because of the cost and take a post-secondary route. Second, attend college and pay it or be blessed with scholarship opportunities. And third, the option that many individuals must take to access is taking out student loans to pay for college. These routes have brought many questions to light about the costs of post-secondary education along with the pathways that can be taken by individuals. As an individual who has attended and is currently attending a college program, I know that college is expensive. You've got the face level of costs of tuition, but then the additional costs of room, meal plans, textbooks, supplies, etc. This adds up quickly to create college as an inaccessible expectation by society.

This selection of a topic such as this provides debaters the opportunity to discuss a topic that could potentially directly impact them if they choose to go this path. And with PF being an event based on discussing current events, there isn't a timelier topic now that can be debated based on the unfolding of the past six months. Without going into a history lesson, student loans have been a topic that has been unfolding since 1840 and has reached the tipping point now in 2023, just in time for some interesting and lively debates ☺ When student loan debt went above $1 trillion in 2012, it highlighted the vast number of individuals throughout the United States that have some form of debt in order to access education. This is especially magnified based on the societal shift focusing more on college education rather than other paths post-high school graduation for individuals. Now in 2023, as we begin to emerge, on some level, from the COVID-19 global health crisis, individuals such as President Biden are questioning why we have allowed the Student Debt crisis to become the way that it has. Throughout his presidency, there have been multiple attempts to eliminate or reduce student debt. Some of these attempts have been successful, and some haven't.

**Strategy Considerations**

As of October 4th, another proposal by President Biden has been brought forward regarding the attempt to eliminate and reduce student loan debt for individuals across the United States with a proposal to eliminate another $9 billion of student loan debt. This is inherently an indicator that the questions of "uniqueness" in this debate will be a constant adjusting variable throughout the season. In some ways, this is what the beauty of Public Forum is with it being a truly current event. In other ways, this will make debates very moving targets that will call for lots of research throughout the season and even potentially during competitions and tournaments themselves. Thus, it's important for teams to have a full understanding of the topic, both historically and currently, to have a successful time with this topic. I'm sure by the time some individuals read this topic analysis, there will be more information released on the topic that will change some of the scope of argumentation.

When it comes to the strategic considerations that come with such a topic, beyond understanding the context for the topic historically, it's also of paramount importance for teams on both sides to be aware of the legal challenges and components that arise with such a topic. When comparing the two options for topics in November/December, this topic looked at face value to be easier to access since many individuals already have some scope of topic knowledge because of the news. However, the fact that there are continuing legal and political decisions and conclusions being drawn makes the strategy more difficult.

As with every resolution in debate, it is of major importance to spend time defining keywords and phrases within the topic. Of course, these definitions may shift based on the side that you are in the debate, but developing some level of understanding that can be spun based on the argumentation made will be helpful in debates of all levels. There are four main components of the resolution to be examined: The United States federal government, should forgive, all, federal student loan debt. Of course, you might be thinking… that is the entire resolution. Yes, you are very much correct. However, this is important with a resolution like this and a resolution that is shorter in nature comparatively. These are all key terms and phrases that will shape the scope of debates.

First is defining the United States federal government. This is simply the three branches that make up the Federal Government: Executive, Legislative, and Judicial. It is important to keep in mind that the federal government includes the three branches and isn't just a single entity. For those individuals who didn't check the news in July, the judicial branch via the Supreme Court blocked two different court cases that were about the forgiveness of student loans with *Department of Education v. Brown* and *Biden v. Nebraska*. It will be important to keep in mind that the affirmative cannot simply defend that the President says "yes" and that is why you should vote affirmative. It will, on the other hand, also be important for the negative to not just simply say the Supreme Court says "no" and that is why it is logically not possible.

This notion ties very well with the verb used in the resolution, which is "should forgive" in the context of student loans. My personal background is in policy debate, so there is always a part of me that sees the word "should" and immediately thinks policy implementation. However, the word 'should' doesn't necessarily mean that the action is logistically sound and able to be implemented. The more LD judge side of me also can see the word and think that 'should' is an obligation or duty to act. This provides different pathways that sides in this debate can take. When it comes to the other component of that phrase 'forgive', it is important to take into context what that means for this specific topic at hand. Therefore, understanding what ‘forgiveness’ means for both the USFG along with borrowers is important.

The next critical component of the resolution to examine is the word that made me raise my eyebrows when I saw the word "all" listed. This is a word that really has a limited scope of what the meaning can be, which will make the resolution more difficult to defend on the affirmative when it is defending the forgiveness of all federal student loan debt. Keep in mind that there might be some affirmative teams that try to skew the argumentation, so be aware.

The last component of the resolution to examine is “federal student loan debt." If you type this phrase into Google, you'll receive information ranging from the news updates to payment methods to the amount of debt. The simplicity of this definition is that this is the money that individuals owe to the federal government that has been used to pay for postsecondary education. Keep in mind the resolution component above being "all" of the debt would be forgiven if you vote for the affirmative. This is an important scope to keep in mind with this topic and will impact the strategy that both teams deploy throughout the topic.

**Affirmative Arguments**

Student loan debt is a topic that, as said above, is constantly changing. However, if President Biden is in office, the affirmative will be in a much better position when it comes to the uniqueness debate. There are constant updates about acts and legislation and policies that President Biden wants to eliminate, or reduce, student loan debt. Keep this in mind with the positioning of the affirmative arguments so uniqueness doesn't overwhelm the link of the arguments that are being presented. I'll focus on two stock arguments on this topic, but of course, there are many more.

The first of those is the fact that forgiving all student debt will naturally stimulate the economy. When individuals don't have to make a monthly payment towards their student loans, they will be able to stimulate the economy by buying other things. This can be as simple as engaging more with local businesses, buying a house, or just sending more in general. This helps the economy grow and would be a short-term boost to the economy and stimulate areas such as the housing market. There are a couple of different internal link stories or scenarios that can be carried out with this link chain.

The second stock argument that I personally think is very persuasive and compelling is that of supporting the public sector. When student loan debt is forgiven, the pressure is taken off more for finding a job that helps pay back loans but allows individuals the opportunity to engage in fields that are rewarding but sometimes underpaid. The example that I'll isolate here is that of teachers because many judges in the back of the room will be teachers. There are many examples that can be given, though, and scenarios that can be contextualized and easy to warrant out and weigh. Just keep in mind that there are alternatives beyond pay impacting fields in the public sector, so be prepared for the alt-causes debate.

**Negative Arguments**

As someone who has student loan debt, I personally want student loan debt to be forgiven. But as a debate coach, I can see the arguments that the negative side will deploy in this debate to prevent that from happening. Of course, that is why setting aside your own personal opinions in debate is so important. The great thing that the negative has for this debate is the last year of attempts to forgive student loans and the judicial and political repercussions from that. There are two main arguments that I'll focus on in this analysis that I can see being stock negative arguments on this topic.

The first of those stock arguments will be that of fairness that comes from individuals who have already paid back their student loans along with that of the individuals who choose not to attend college due to the costs. There are many arguments out there about fairness when it comes to this topic, which could be very compelling, especially in a more lay round of debate. This is also magnified with the use of the word "all" in the resolution itself, meaning that all would be forgiven rather than just a select few or individuals that meet certain criteria. This can lead to a good debate about potentially certain criteria that need to be met rather than a universal acceptance. The biggest impact with this is that it could lead to individuals backlashing because the burden of that debt will fall upon individuals who have already paid or didn't attend because of the cost. I don't think this is the best argument, and there will be more nuisances with that based on the link story.

The second argument that I think will be discussed on the topic will be that of taking on debt. This is a very timely argument based on the budget discussions happening in the legislative branch of government. With taking on the weight of all student loan debt, the national budget will be enormous, which will either lead to a tradeoff with other programs, the need to raise taxes, or both. These can both be impacted out.

Hope you all have a great end of 2023 on this topic! Be sure to keep your evidence and link story up to date based on the news.

## Topic Analysis by Yair Fraifeld

***Resolved: The United States federal government should forgive all federal student loan debt.***

### Introduction

As we move forward toward the months of November and December, we are presented with a topic that focuses on one of the pressing national issues of our time – student loan debt. At one point or another, it is likely that you have met someone in your life who has taken on student loan debt to pursue an associate's, bachelor's, master's, or doctorate degree. Perhaps some have taken on the tough decision to forgo higher education for fear of being unable to pay off loans. And perhaps you have met people who have been fortunate and have not had to take student loans to pursue education. This topic is a hot and timely topic, especially as student loan interest resumed at the beginning of September, challenging the millions of borrowers who have been unable to fully pay off their education to refocus on how to do so. The broader economic high-interest environment, as well as its associated implications, causes significant constraints for Americans. As we approach the topic, we should keep background information in mind while we look towards strategic considerations.

### Strategy Considerations

An important context to consider as an approach to the topic is that the United States faces a student loan debt crisis. There are over 45 million borrowers collectively owing more than $1.7 trillion in federal student loans. This number continues to rise, along with the costs of tuition for attending a higher education institution.

While student loan debt itself has effects on the broader economy itself, the economic environment that we live in today also affects how borrowers will be able to pay. The COVID-19 crisis brought interest rates to historic lows and have since risen to a 22-year high (5.25%-5.5%). The Federal Reserve has declared a fight against inflation in the US economy, and today's economy makes paying debts tougher for borrowers.

With surmounting debts, the United States federal government has the important question of how to go about attempting to resolve the issue. The question then becomes, "Is forgiving this debt a feasible solution"? The decision to forgive or not forgive student loan debt carries significant consequences, both financially and morally. Are there better solutions? Is freezing interest payments still an option? What other solutions that have been proposed by the United States federal government might there be, and are they likely solutions? There are also implications on what policymakers decide on their popularity as elections come closer and policymakers look to retain their seats in power. Should that be a consideration in the debate? That decision is up to the debaters. But the decision that the United States federal government has to make involves evaluating the impact on borrowers, taxpayers, the economy, and the principles of personal responsibility and fairness.

**Affirmative Arguments**

One of the most common arguments that teams on the affirmative will make is that forgiving student loan debts will free up disposable income for American consumers as they no longer will have to worry about paying off student loan debts. As debt holders would no longer have to focus on paying back debts, disposable income would stimulate the economy as Americans would now be able to spend income on goods and services, which would contribute to economic growth in the United States.

Another common argument will be about the effects of student loan debt forgiveness on economic inequality. Student loans disproportionately affect low-income individuals and communities of color. By forgiving debt, the United States federal government would effectively be fighting against economic inequality. Frequently, student loans are taken by those who are in need of them to pay off the high costs associated with higher education. Taking away the need to take out loans for education (which is important for economic mobility) would allow people who otherwise would borrow to attend a higher education institution in the United States without placing enormous economic constraints. Further, it would allow for people who otherwise would borrow to further invest in the American economy by, for instance, purchasing a home, starting a business, or continuing to pursue an even more advanced degree.

There are a lot of unique arguments to discuss the benefits associated with forgiving federal student loans. It is up to teams to think of how these benefits will translate to nationwide economic growth or to improving individuals' lives.

**Negative Arguments**

Arguments on the Con side of this topic will focus primarily on three areas. The first is that forgiving student loan debt might create a precedent for future borrowers that would encourage irresponsible borrowing. Today, student loan debt is a risk that students understand may create a significant barrier later in their lives. At the same time, students also take on student loan debt in pursuit of higher education, which has been shown to create better future opportunities for many. There is a dilemma that is created when the federal government has to make a decision about forgiveness and what it would mean for future borrowers. Would student loan debt be forgiven in the future as well? What does that mean for the costs of higher education, the quality of the education in the long term, and higher education institutions' ability to maintain themselves? And what does it mean for an individual who borrows when there is the expectation that the debt will simply be forgiven? Many would argue that it might create a slippery slope, where individuals expect that debts in other forms also be forgiven.

The next argument would be in regard to whether or not the federal government is fiscally responsible for forgiving such an enormous amount of debt. When the federal government decides to forgive the debt, the costs of the loans would fall onto taxpayers (some of whom did not take out loans). There is an element of responsibility that Con teams will argue it is necessary for individuals to take when they take on loans. And that responsibility should fall on the individual borrower. Perhaps debaters will even discuss specifics of how the federal government would even go about paying off such debts. And maybe teams will discuss the overall debt that the United States federal government owes. In many parts of the country, national debt is an important issue, and it would be an appealing component of the argument to discuss how irresponsible it may be to prioritize forgiving student loan debt.

Finally, Con teams will likely discuss the unintended consequences that are associated with forgiving student loan debt. A likely response to having student loan debt forgiven is that higher education institutions will raise the costs of attendance, which would further increase associated costs. Perhaps these costs will also spill into other areas of the American economy.

Con teams overall will likely be keeping the narrative that it is an individual's decision to take on debts for education, and in today's world, there may be other alternatives. The question is, for those borrowers who have already taken out loans, what is the correct course of action? Con teams will argue that federal government forgiveness of student loan debt is not the right option and will likely have a few alternatives in their back pockets.

**Conclusion**

The arguments for and against forgiving federal student loan debt intersect in complex ways. The Pro arguments about how forgiving student loan debt may contribute to an economic stimulus and promoting equity may both link to the overall impact of improving economic mobility, reducing poverty, and the associated effects. However, these benefits must be balanced against the Con's concerns of whether it is correct for the federal government to let go of an individual's responsibility for taking out loans and whether the federal government would be making the fiscally responsible decision by forgiving student loan debt altogether. The tension between these arguments highlights the importance of the debate topic and how students of debate can bring unique perspectives while also discussing what the implications of policy will have on their own futures. I look forward to hearing how debaters will bring diversity and nuance to this topic.

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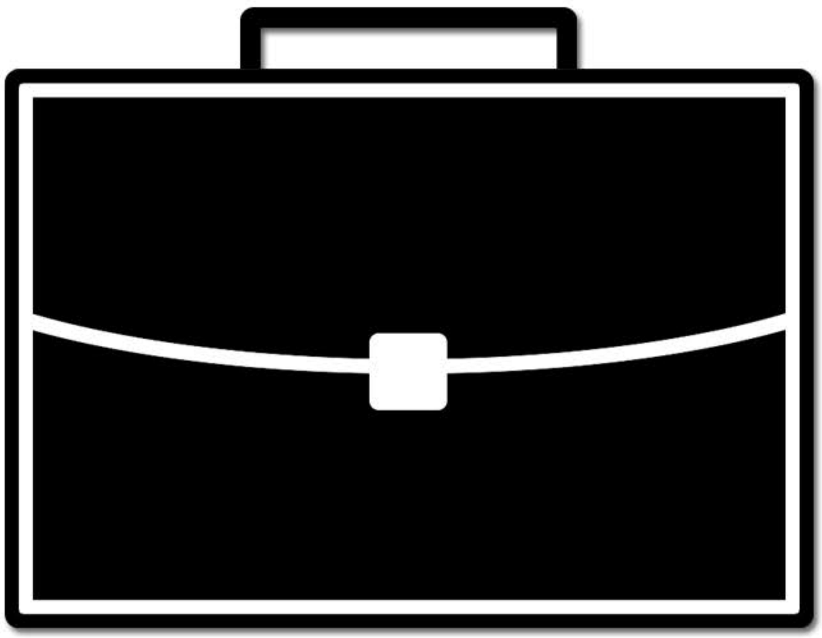


# General Information

## General Information

***Resolved: The United States federal government should forgive all federal student loan debt.***

**Foreword:** We at Champion Briefs feel that having deep knowledge about a topic is just as valuable as formulating the right arguments. Having general background knowledge about the topic area helps debaters form more coherent arguments from their breadth of knowledge. As such, we have compiled general information on the key concepts and general areas that we feel will best suit you for in- and out-of-round use. Any strong strategy or argument must be built from a strong foundation of information; we hope that you will utilize this section to help build that foundation.

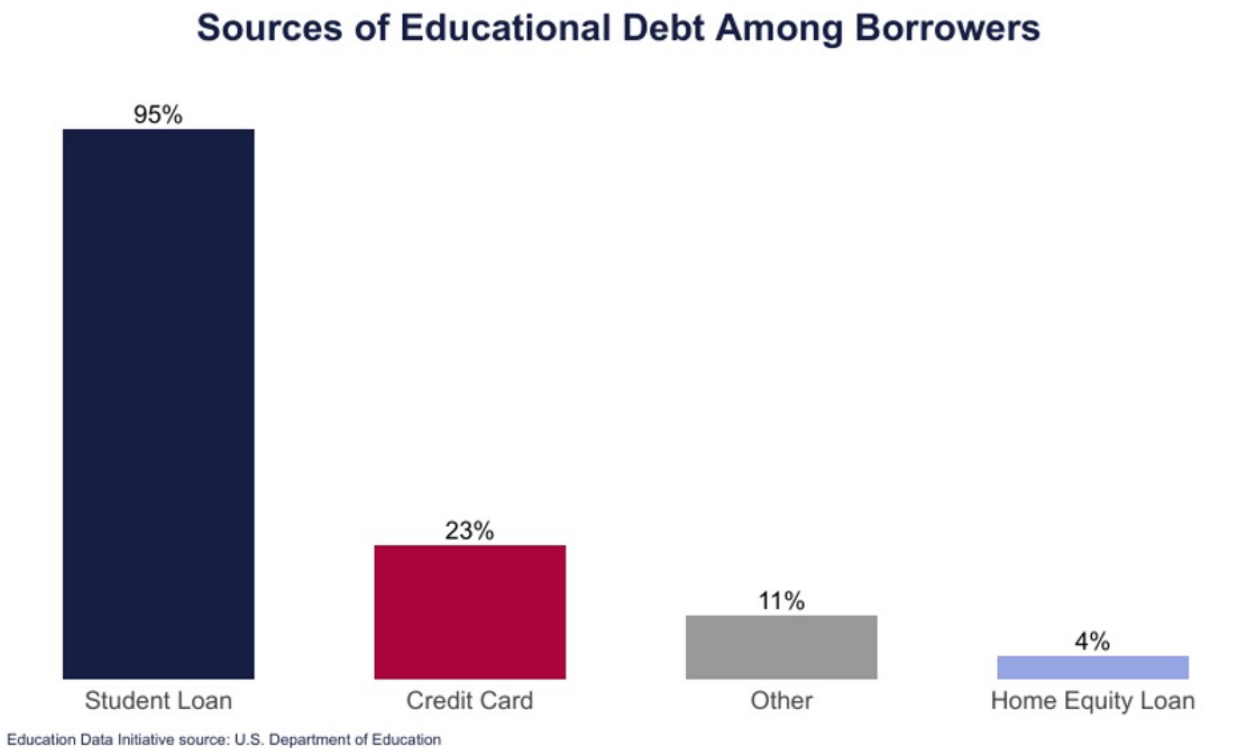
**What is Federal Student Loan Debt?**

Student loans are financial instruments that allow borrowers to pay the cost of higher education. Student loans must be repaid, often with interest, as opposed to other forms of financial aid like scholarships. Most students, over 70%, in the United States who are enrolled in higher education rely on student loans to pay all or some of their tuition.

Federal student loans are a subset of student loans that are offered by the federal government. These are originated and directly funded by the Department of Education. These are distinct from private loans, which are provided wholly by private entities. The Department of Education provides these loans through student loan services, which are companies that facilitate the different aspects of the loan, such as recordkeeping. Approximately 80% of all student loans are funded by the government. Federal student loans can b subsidized or unsubsidized. Subsidized loans have lower interest rates than unsubsidized loans, and are allocated on the basis of demonstrated financial need.

Student loan debt totals 1.7 trillion dollars. The average student who borrowed to complete an undergraduate degree had $40,000 dollars in debt upon graduation. Students who attend graduate school typically take out loans as well. Student debt constitutes the largest source of debt burden for American households besides mortgage debt.

Despite the massive amount of federal student loan debt, the upward trend shows no sign of abating. College tuition has doubled since the 1990s, and state governments have substantially reduced the share of tuition that they pay. The total amount of student debt held by the American public has doubled in the last ten years. During the same period, the rate of default has also doubled.

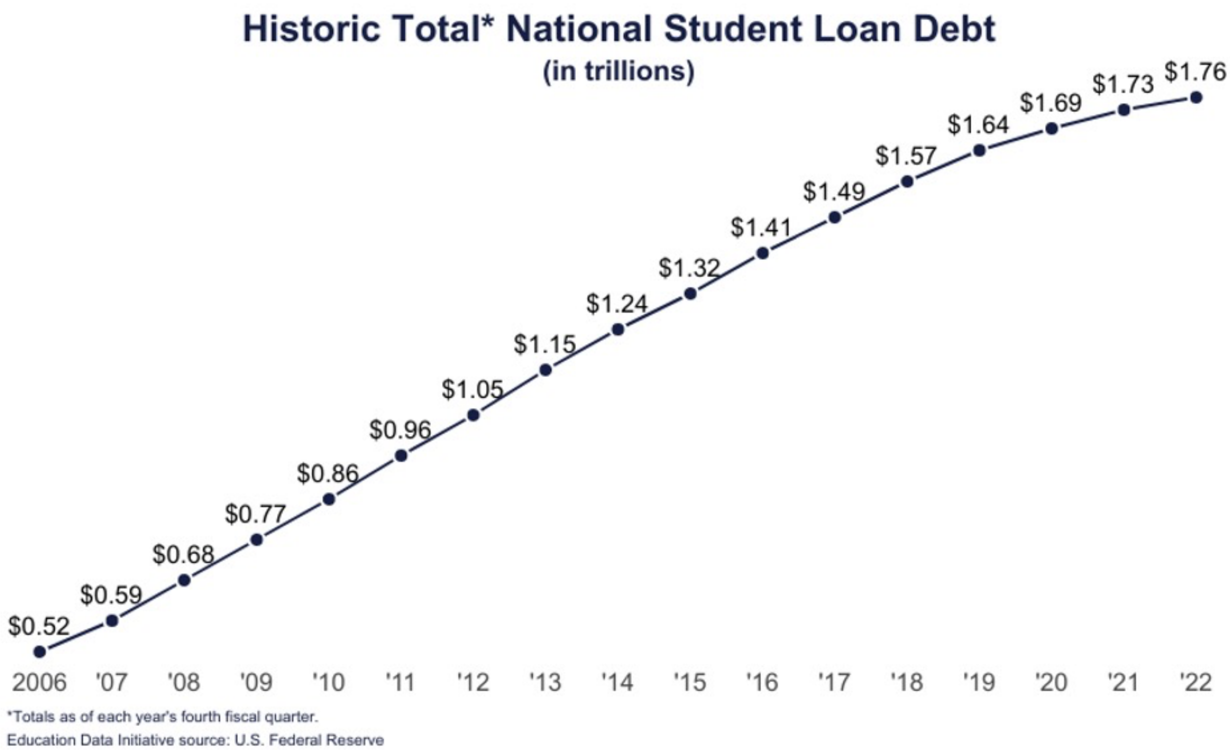

Sources of Educational Debt Among Borrowers
95%
23%
11%
4%
Student Loan
Credit Card
Other
Home Equity Loan
Education Data Initiative source: U.S. Department of Education

**What is the Recent News About Student Loan Forgiveness?**

In 2020, President Trump enacted a student loan payment pause. This froze student loan payments and the accrual of student loan interest. Since 2020, the payment freeze has been extended by the Trump administration and the Biden administration seven times. President Biden had campaigned on a promise of going beyond the student loan freeze and actually canceling some part of the debt. Initially, after being elected, President Biden asked Congress to pass a bill to forgive ten thousand dollars in student loans. Congress declined to do so. In August 2022, President Biden took executive action to forgive ten thousand dollars for student loan borrowers making less than $125,000 annually, with an additional ten thousand dollars for Pell Grant recipients.

The Biden administration justified their executive action under the HEROES ACT, which allowed the Secretary of Education to "waive or modify any statutory or regulatory provision applicable to the student financial assistance programs" of the Higher Education Act of 1965 in the event of a national emergency. Soon after, a coalition of states filed a lawsuit challenging the forgiveness program, asserting that it violated the law. The Supreme Court agreed with the states and concluded that the GEORES Act authority to "waive or modify" student loan debt did not extend to the loan forgiveness program. He concluded that if the Biden administration wanted to engage in federal student loan forgiveness, they would have to do so by statute. Justices Kagan, Sotomayor, and Jackson dissented.

Since the Supreme Court decision, momentum toward student loan forgiveness has stalled. The Biden administration has launched a more targeted debt forgiveness and income-based loan repayment program that targets a far more modest segment of the population.


Historic Total* National Student Loan Debt
(in trillions)
$0.52
$0.59
$0.68
$0.77
$0.86
$0.96
$1.05
$1.15
$1.24
$1.32
$1.41
$1.49
$1.57
$1.64
$1.69
$1.73
$1.76
2006 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22
*Totals as of each year's fourth fiscal quarter.
Education Data Initiative source: U.S. Federal Reserve

**Student Debt and the Economy**

Student debt has become a major political issue because of its outsized impact on the American economy. The massive burden of student debt sits in tension with the proven economic benefits of a college education. Stuck between the need to acquire a college degree to be competitive in the workforce and the crushing weight of thousands of dollars in debt leaves many Americans feeling trapped.

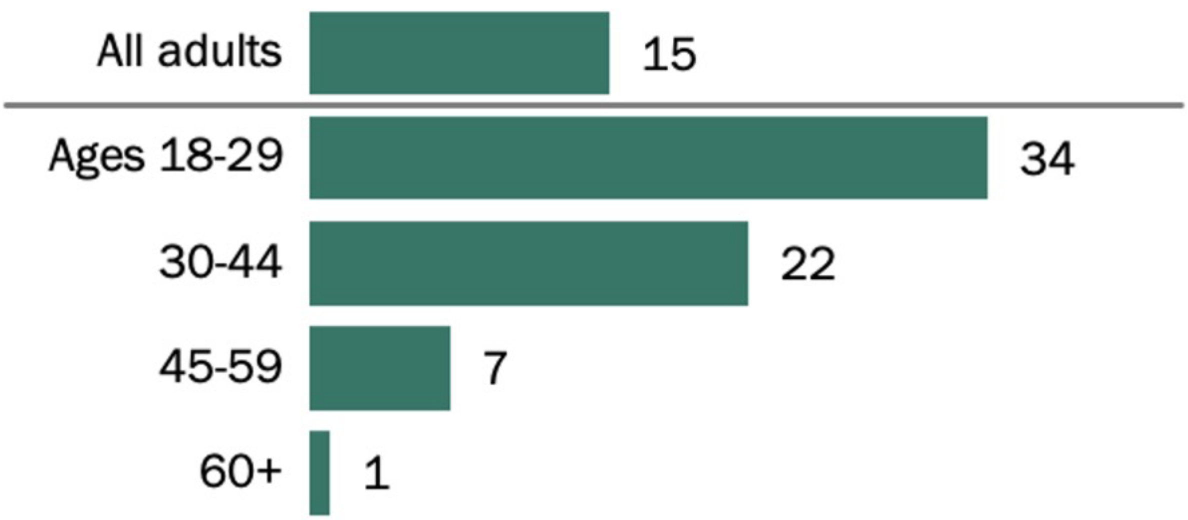
College has become an essential tool in training the American workforce. In the 1980s, most Americans did not enroll in college at all. In 2022, nearly two-thirds of high school graduates enrolled in college. The amount of jobs for high school graduates without a college degree has shrunk as an undergraduate education becomes an essential credential for most well-paying jobs. A worker with a bachelor's degree earns 1.8 times the amount a person with a high school diploma does. Advanced education is required for many professions such as law and medicine. However, the cost of college has tripled over the past fifty years. This has put immense strain on the pocketbooks of students and their families, who have turned to loans.

Student debt has doubled over the last two decades. With over 1.7 trillion dollars in debt, student borrowing exceeds every other debt category except for mortgages. The federal government provides a variety of financial assistances to students going to college. The government provides Pell grants, which are need-based monetary disbursements that do not require repayment. The government also directly issues student loans through the Department of Education.

The average student is taking on more debt than their predecessors. Between 2009 and 2019, the average balance per borrower rose by 25 percent. College tuition has grown faster than income, and families use student loans to fill the gap. The cost of college is also higher in the United States than in many other countries.

## About one-third of those ages 18 to 29 currently have student loan debt

*% of adults saying they currently have outstanding student loan debt for their own education*




Source: Pew Research Center analysis of Federal Reserve Board's 2018 Survey of Household Economics and Decisionmaking.

**PEW RESEARCH CENTER**

**American Colleges in Crisis**

Just as American students are suffering under the strain of paying student loans, many American higher education institutions are also facing difficulties. During the COVID-19 pandemic, nationwide undergraduate college enrollment dropped by 8 percent. More broadly, since 2009, roughly 1300 colleges have seen declines in enrollment. This decline has persisted since the return to in-person education. Many colleges are bloated with non-teacher administrators, who dramatically add to the cost of college. At Yale, there is one administrator for every undergraduate student. The American faith in the value of a college education is also waning. A recent poll suggested that a majority of Americans believe that a college degree is a questionable investment.

Although tuition prices are rising, many universities are struggling financially. During the 1990s, many states dramatically cut the money they provided to public colleges. This forced public colleges to raise prices and put them under financial strain. Nearly 700 public colleges received less in state and local money than in 2009. Nationwide, more than 500 colleges show some financial warning sign. Nearly 30 percent of four-year schools brought in less tuition revenue per student than a decade ago.

Some elite schools are doing well. However, this creates a system of educational inequality where a disproportionate amount of resources are allocated towards already well-off institutions. This creates a cycle of decline where many colleges lack the resources needed to invest in themselves, build new facilities, and attract new talent.

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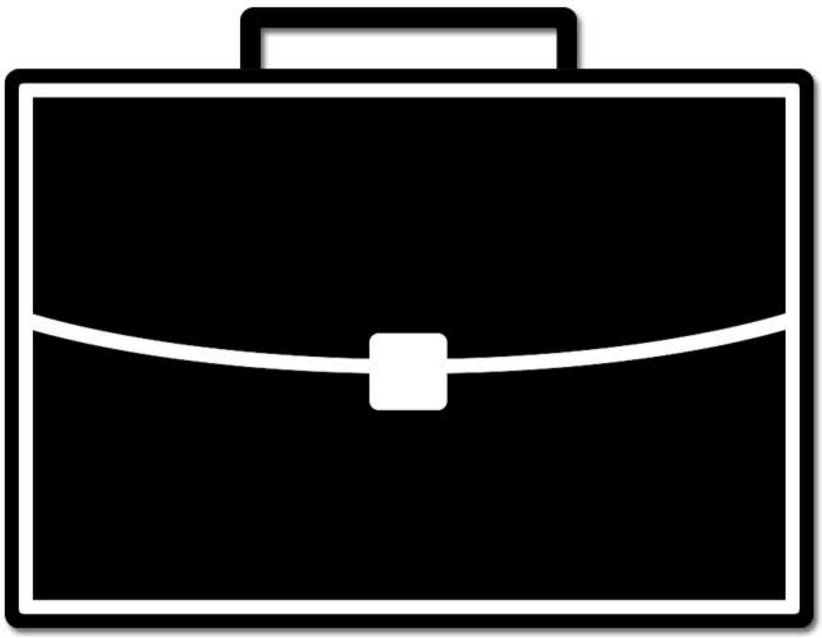
# Champion Briefs

## Nov/Dec 2023
## Public Forum Brief



## Pro Arguments

## PRO: Debt forgiveness helps people retire

**Warrant:** Student loans mean people save less money for retirement

Rutledge, Matthew, Geoffrey Sanzenbacher, and Francis Vitagliano. "Do Young Adults with Student Debt Save Less for Retirement?" Center for Retirement Research at Boston College, June 2018, https://crr.bc.edu/wp-content/uploads/2018/06/IB_18-13.pdf.

The rise in student loan debt has become a growing policy concern. This brief explores whether that growth has impacted retirement savings. The results are a bit mixed, and depend on whether one looks at participation or asset accumulation and whether one considers graduates or non-graduates. **While student loans appear to have no effect on participation and no significant effect on the asset accumulation of non-graduates, graduates with student loans accumulate 50 percent less retirement wealth by age 30. Interestingly, graduates' retirement plan assets are not sensitive to the size of their student loans, suggesting that the simple presence of a loan looms large in their financial decision-making.** Future research should examine whether this counterintuitive result holds when other data sources are used.

**Warrant:** Student loan delinquency rates are going up

Conkling, Thomas and Christa Gibbs. "Office of Research blog: Update on student loan borrowers during payment suspension." *CFPB*, November 2, 2022, https://www.consumerfinance.gov/about-us/blog/office-of-research-blog-update-on-student-loan-borrowers-during-payment-suspension/

At the start of the pandemic, several policy interventions likely helped student loan borrowers avoid delinquencies on other credit products, but as those programs ended, delinquencies began to rise. The figure below shows that a growing share of student loan borrowers are 60 days or more past due on a non-student-loan credit account since mid-2021. **As of September 2022, 7.1 percent of student loan borrowers who were not in default on their loans at the start of the pandemic were having difficulty repaying other debts, as compared to 6.2 percent of these borrowers at the start of the pandemic. Delinquency rates have risen even further for borrowers with defaulted student loans, increasing from 9.8 percent at the start of the pandemic to 12.5 percent as of September 2022** (not shown). If this rising delinquency trend doesn't change, more borrowers may struggle as they face additional payments each month.

**Warrant:** Student loan delinquency triggers a social security reduction

Konish, Lorie. "Falling behind on student loans can reduce Social Security benefits by $2,500 a year." *CNBC*, January 5, 2023, https://www.cnbc.com/2023/01/05/delinquent-student-loans-can-reduce-social-security-by-2500-a-year.html.

If you are delinquent on federal student loans and collect Social Security benefits, your monthly checks could be reduced. A pandemic pause has put all garnishments on hold for now. **But when collections are in effect, the reduction in annual Social Security benefits is about $2,500 on average, based on 2019 data, according to new research from the Center for Retirement Research at Boston College. That typically amounts to 4% to 6% of household income**, a significant amount that could pay off the average person's credit card balance, the research found.

**Warrant:** A large number of Americans are retiring with student loan debt

Multhere, Kaitlin. "Still Paying for College at 65: A Growing Number of Americans Are Retiring With Student Debt." *Money*, April 8, 2021, https://money.com/older-student-loan-borrowers-retirement-savings/.

**Borrowers aged 50 and up now owe a combined $336 billion, about 20% of the federal student loan portfolio. That's up from 10% about 15 years ago. Gone are the days of assuming that college debt is a problem only for the young professional crowd. Student loans, and the long-lasting burden they bring with them, now extend across generational lines.** Parents borrowing to help pay for their children's education are a big driver of this, but there are also many older borrowers who are still paying off loans for their own education, as Elliott is. "The fastest growing segment of borrowers has been older adults," says Joe Valenti, senior strategic policy advisor at the AARP Public Policy Institute. "The share (of debt) has grown, the dollar amounts have grown, and it's really a challenge as they're running up against the retirement clock."

**Impact:** Retirement is key to living longer

Frakt, Austin. "The Connection Between Retiring Early and Living Longer." The New York Times, January 29, 2018, https://www.nytimes.com/2018/01/29/upshot/early-retirement-longevity-health-wellness.html.

You may not need another reason to retire early, but I'll give you one anyway: It could lengthen your life. That's the thrust from various research in recent years, and also from a 2017 study in the journal Health Economics**. In that study, Hans Bloemen, Stefan Hochguertel and Jochem Zweerink — all economists from the Netherlands — looked at what happened when, in 2005, some Dutch civil servants could temporarily qualify for early retirement. Only those at least 55 years old and with at least 10 years of continuous service with contributions to the public sector pension fund were eligible. Men responding to the early retirement offer were 2.6 percentage points less likely to**

> **die over the next five years than those who did not retire early.** (Too few women met the early retirement eligibility criteria to be included in the study.) The Dutch study echoes those from other countries. An analysis in the United States found about seven years of retirement can be as good for health as reducing the chance of getting a serious disease (like diabetes or heart conditions) by 20 percent. Positive health effects of retirement have also been found by studies using data from Israel, England, Germany and other European countries.

**Analysis:** This argument says that student loan debt will lead to people not being able to retire until later in their life and connects that to health, saying that early retirements result in longer lives. Saved life-years is a powerful impact for weighing as it can be connected to both health and the economy.

## PRO: Debt forgiveness leads to racial equity

**Warrant:** The racial wealth gap in America is severe and getting worse

Aladangady, Aditya and Akila Forde. "Wealth Inequality and the Racial Wealth Gap." Federal Reserve, October 22, 2021, https://www.federalreserve.gov/econres/notes/feds-notes/wealth-inequality-and-the-racial-wealth-gap-20211022.html.

The decomposition allows us to highlight a few major facts. First, **White households hold a much larger share of wealth than their population share, with Black and Hispanic households disproportionately concentrated at low, or even negative net wealth ranges.** In fact, shifting the distribution of wealth among White households to match the aggregate distribution would lower inequality by 1/4 of its increase over the past three decades. Second, White households as a whole contribute more to both the level and growth in inequality than they would under a racial equality counterfactual. This reflects the fact that high-wealth households, who are predominantly White, have pulled away from the rest of the distribution over time. The divergence likely reflects a combination of ability to save, access to high-return assets, and other factors mean **White households are, on average, more able to accrue and grow their wealth than minorities. One of the most prevalent means of accruing wealth for minority households, homeownership, has become less common among Black households in recent years, allowing the wealth gap to widen.**

**Warrant:** Black Americans hold more student loan debt for a longer time than White Americans

Scott-Clayton, Judith. "Shrinking Racial Gaps in Student Debt and Default: Recommendations to Congress." Community College Research Center, March 6, 2019, https://web.archive.org/web/20231002004211/https://67.205.94.182/easyblog/shrinking-racial-gaps-student-debt-default-congress.html. Accessed October 1, 2023.

Black college graduates start out owing more than their White peers, but the gap in student loan debt more than triples over the next few years. **Growing interest and borrowing for graduate school lead to Black graduates holding nearly $53,000 in student loan debt four years after graduation, almost twice as much as White graduates. The picture gets even worse further out from graduation. While cumulative default rates continue to rise for all borrowers between 12 and 20 years after students start college, Black graduates with a bachelor's degree default at five-times the rate of White bachelor's graduates—21% compared with 4%.** Among all college students who started in 2003–04 (not just borrowers), 38% of Black students defaulted within 12 years, while 12% of White students defaulted. Many of these students who defaulted attended for-profit colleges, where almost half of students default within 12 years of college entry. But even after accounting for student and family background characteristics (such as family income, wealth, and parental education); total amounts borrowed; college experiences (including type of institution attended, degree attainment, and college GPA); and post-college employment status and income, there remains an 11-percentage-point Black–White disparity in default rates.

**Warrant:** Black borrowers have a higher debt burden than White borrowers

Farrell, Diana, Fiona Greig and Daniel Sullivan. "Student Loan Debt: Who is Paying it Down?" JPMorgan Chase & Co. Institute, October 2020, https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/institute/pdf/household-debt-student-loan-debt.pdf.

Figure 12 presents annual payment levels and burdens by race and ethnicity. Although Black borrowers have the highest loan balances, the median scheduled payment is highest for White borrowers, just over $2,000, followed by Black borrowers ($1,850) and Hispanic borrowers ($1,650). Notably, the median reported payment among White borrowers is higher than the scheduled payment, suggesting that not only do White borrowers have a more aggressive repayment schedule but, in aggregate, White borrowers are actually prepaying their student loan debt. In contrast, Hispanic borrowers' median reported payment is roughly on par with their scheduled payment, and **Black borrowers' median reported payment is a full $212 lower than their scheduled payment, implying that in aggregate Black borrowers may be experiencing financial circumstances that inhibit their means to make full scheduled payments. All three groups have observed payments lower than reported payments, with Black borrowers experiencing the largest gap between observed and reported payments.** These last two facts raise the possibility of large differences in payment shortfalls and help received across race groups, which we explore below. In terms of payment burdens, Black borrowers are faced with the most substantial scheduled burden. Even if Black and White borrowers had similar scheduled payments, the fact that Black borrowers earn 78 cents for every dollar earned by White borrowers (see Table 3) contributes to this disparity in respective payment burdens.

**Impact:** Student loan debt has a significant impact on social mobility

Charron-Chenier, Raphael, Louise Seamster, Tom Shapiro, and Laura Sullivan. "Student Debt Forgiveness Options: Implications for Policy and Racial Equity." Roosevelt Institute, August 2020, https://rooseveltinstitute.org/wp-content/uploads/2020/08/RI_StudentDebtForgiveness_WorkingPaper_202008.pdf.

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).

**Impact:** Student loan forgiveness leads to increased wealth for Black Americans

Fox, Michelle. "Student loan forgiveness could help narrow the racial wealth gap, say advocates. Here's how." CNBC, June 17, 2022, https://www.cnbc.com/2022/06/17/student-loan-forgiveness-may-narrow-racial-wealth-gap-say-advocates-.html.

Forgiving student debt can have an impact on the racial wealth gap, although it is not the only solution to a complex problem, advocates contend. Instead, it's a first step toward addressing it, they said. **Canceling $50,000 in student debt for households with income below $100,000 would increase black borrowers' wealth to 33% of white borrowers' wealth, up from 5%, according to "A Pathway to Racial Equity." Bumping it to $75,000 in forgiveness would raise it to 42%, the report found.** "While the amount itself is not going to have a huge immediate impact on the racial wealth gap, it can help people at a really crucial time," Charron-Chenier said.

**Analysis:** This argument says that Black borrowers are stuck with more debt than White borrowers and that the presence of debt reduces people's social mobility, making it harder for Black borrowers to get ahead. This argument can be easily connected to other systemic issues facing Black Americans and would work well with a structural violence framework.

## PRO: Debt forgiveness boosts economic activity

**Warrant:** Student loan debt represents a massive portion of the country's national income

Ingraham, Christopher. "7 ways $1.6 trillion in student loan debt affects the U.S. economy." The Washington Post, June 25, 2019, https://www.washingtonpost.com/business/2019/06/25/heres-what-trillion-student-loan-debt-is-doing-us-economy/.

**American families are carrying about $1.6 trillion in student loan debt, a massive burden that amounts to nearly 8 percent of national income. That share has roughly doubled since the mid-2000s.** This week, Sen. Bernie Sanders (I-Vt.) and some of his House colleagues unveiled a proposal that would cancel student debt for 45 million Americans and make public higher education tuition-free. The 2020 presidential hopeful said he would put a tax on Wall Street, raising an estimated $2 trillion over 10 years, to pay for the plan. Without getting into the merits of his or other proposals, the idea does raise a basic question: What is student loan debt doing to the nation's economy?

**Warrant:** Student loan debt reduces small business formation

Ambrose, Brent, Larry Cordell, and Shuwei Ma. "The Impact of Student Loan Debt on Small Business Formation." Federal Reserve Bank of Philadelphia, July 2015, https://www.philadelphiafed.org/the-economy/the-impact-of-student-loan-debt-on-small-business-formation.

Our results indicate that student debt differs from overall consumer credit. While student debt is used to fund increases in human capital (education), the utilization of student debt reduces an individual's ability to access other forms of credit. These results suggest a debt tradeoff for new small firms in which a larger amount of student debt lowers individuals' ability to start new small businesses. **We find a significant and economically meaningful negative correlation between changes in student loan debt and net business formation for those firms with one to four employees. This is important because these small businesses depend on personal debt the most to finance new businesses. Based on our model, an increase of one standard deviation in student debt reduced the formation of new businesses with one to four employees by 14% on average in each county between 2000 and 2010.** However, for firms with 20 or more employees, an increase of one standard deviation in student debt use resulted in a decline of 10 new firms, or approximately 6.2%.

**Warrant:** Student loan payments depress America's economic output

Lorin, Janet and Ella Ceron. "Student Loan Payments Are Back. What That Means for Millions of Borrowers." Washington Post, October 1, 2023, https://www.washingtonpost.com/business/2023/10/01/student-loan-payments-are-back-here-s-why-and-what-that-means-for-borrows/52824684-6056-11ee-b406-3ea724995806_story.html.

Budgets are already tight for many Americans, as the prices of essentials like housing and food have risen the fastest in four decades. **To make room in their budgets for their loan payments, they're expected to cut back other spending — to the tune of more than $100 billion annually. The US's economic output could drop 0.1% in 2023 and 0.3% in 2024 as a result, Oxford Economics researchers said in July.** Several retail brands including Walmart, Target and Levi Strauss have warned that the resumption of payments could negatively affect their earnings in the second half of 2023.

**Impact:** Small businesses are key drivers of America's economy

Rowinski, Martin. "How Small Businesses Drive the American Economy." Forbes, March 5, 2022, https://www.forbes.com/sites/forbesbusinesscouncil/2022/03/25/how-small-businesses-drive-the-american-economy/?sh=4b6fcd374169.

**According to the U.S. Small Business Association (SBA), small businesses of 500 employees or fewer make up 99.9% of all U.S. businesses and 99.7% of firms with paid employees. Of the new jobs created between 1995 and 2020, small businesses accounted for 62%—12.7 million compared to 7.9 million by large enterprises.** A 2019 SBA report found that small businesses accounted for 44% of U.S. economic activity. Without small businesses, the American economy and workforce would be a pretty wild landscape to imagine.

**Warrant:** Small businesses lead in innovation

"Innovation and Research." U.S. Senate Committee on Small Business & Entrepreneurship, n.d., https://www.sbc.senate.gov/public/index.cfm/innovationresearch.

The dreams of America's entrepreneurs today often become the nation's innovations tomorrow. **Small businesses produce more than 14 times more patents than large businesses and universities and employ nearly 40 percent of America's scientists and engineers**. That's why the Committee on Small Business and Entrepreneurship has taken up the reauthorization and improvement of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs as a top priority.

**Analysis:** This argument says that freeing up people's student loan payments for other economic activity will lead to an increase in the country's economic health and in small business formation. The impact of innovation is extremely versatile and teams can connect it to topics as diverse as technology, biopharmaceuticals, and climate change.

## PRO: Debt forgiveness has an intergenerational impact

**Warrant:** Student loan debt is an intergenerational problem.

Trawinski, Lori, Alicia Williams, and Susanna Montezemolo. "The Student Loan Debt Threat: An Intergenerational Problem." *AARP*, May 14, 2019, https://www.aarp.org/pri/topics/work-finances-retirement/economics-aging/the-student-loan-debt-threat-an-intergenerational-problem.html.

Student loan debt is increasingly becoming a burden for people of all ages, with Americans owing $1.5 trillion dollars as of December 2018, according to the Federal Reserve Bank of New York. **People ages 50 and older owe 20 percent, or $289.5 billion, of that total, up from $47.3 billion in 2004. This represents more than a five-fold increase. The overall increase reflects a sharp rise in both the number of families borrowing and the amounts they borrow.** Over the past three decades, the cost of attending college has increased dramatically. The average cost of attending a four-year college more than doubled (on an inflation-adjusted basis) during this period. Meanwhile, nationally, state and local funding per student for higher education decreased. In addition, family incomes have not increased enough to keep pace with inflation, much less the increase in college costs.

**Warrant:** PLUS loans, taken out by parents, have a high cumulative debt rate.

Fishman, Rachel. "Part I: Intergenerational Higher Education Debt." *New America*, May 14, 2018, https://www.newamerica.org/education-policy/reports/wealth-gap-plus-debt/part-i-intergenerational-higher-education-debt/.

Approximately 16 percent of students who began their higher education in 2003–04 had parents who borrowed a PLUS loan at some point by 2015–16.16 Although only a relatively small subset of parents borrow, not including parental debt in total debt calculations understates higher-education debt. **The average cumulative amount of PLUS loans over these 12 years was $20,343 per student whose parents borrowed PLUS. The average cumulative amount of undergraduate loan debt for these students was $17,307. This means that the average total intergenerational higher education debt for PLUS families, almost one in five dependent undergraduates, was nearly $38,000.**

**Warrant:** The number of PLUS loan parents defaulting is on the rise

Fishman, Rachel. "Part II: Racial Wealth Disparities and the PLUS Loan "Fix"." New America, May 14, 2018, https://www.newamerica.org/education-policy/reports/wealth-gap-plus-debt/part-ii-racial-wealth-disparities-and-the-plus-loan-fix.

Those unable to save for retirement will be fully reliant on Social Security and other public assistance benefits. Approximately one third of Black single seniors rely entirely on Social Security in retirement, with an average benefit of $1,800 a month in 2011.62 higher-education debt is particularly worrisome for low-income parents who are not far from retirement and who will likely rely on Social Security benefits. The government can and will garnish Social Security payments—a modest sum that leaves seniors on the edge of poverty—in order to collect on delinquent Parent PLUS loans. **According to a Government Accountability Office report, in fiscal year 2015, approximately 7,339 Parent PLUS borrowers ages 65 and older were currently in default and experiencing government collection methods such as Social Security offsets and seizure of tax refunds. In 2005, it was only 2,302 borrowers. That is a 219 percent increase over 10 years.**

**Warrant:** PLUS loans can persist even after death

Farrington, Robert. "Student Loans May Not Die If You Do – Here's How To Prepare Your Family." *Forbes*, July 9, 2019, https://www.forbes.com/sites/robertfarrington/2019/07/09/student-loans-may-not-die-if-you-do-heres-how-to-prepare-your-family/?sh=215fc62877eb. Accessed October 7, 2023.

While it's easy to assume any student debts you have will die if you do, that's not always the case. Sure, it's absolutely true that most federal student loans die with the borrower after proper "proof of death" is submitted. **However, PLUS loans — a type of federal loan typically taken out by parents of students or graduate students — won't go away quite that easily. In the case of Parent PLUS loans, the parent who took out the loan on your behalf will likely receive a 1099-C in the mail if you pass away while in school or any time after when you're repaying your loans, meaning they are on the hook to pay income taxes on forgiven loan amounts.** The amount of taxes they are expected to pay will be significantly less than the loan amount owed, but that doesn't mean it won't sting — particularly after dealing with the death of you, their child.

**Impact:** Intergenerational poverty leads to a loss of social mobility

Wagmiller, Robert and Robert Adelman. "Childhood and Intergenerational Poverty: The Long-Term Consequences of Growing Up Poor." *NCCP*, November 2009, https://www.nccp.org/publication/childhood-and-intergenerational-poverty/.

Our examination of PSID data indicates that while most children never experience poverty, 35 percent of children born between 1970 and 1990 experienced poverty between birth and age 15. We also find that African-American children are more likely to experience poverty than are white children. These results have implications for adults: **Individuals who were poor during childhood are more likely to be poor as adults than**

> **are those who were never poor, and this is especially true for African-Americans. Consequently, intergenerational poverty and persistent disadvantage impedes individuals' ability to achieve the American Dream.** Though there is considerable upward mobility in the United States, escaping poverty is difficult, and racial disadvantages mean that mobility out of poverty for African-Americans is far more difficult than it is for whites.

**Analysis:** This argument says that student loans are intergenerational in two ways. First, because many parents take out student loans on behalf of their children, student loans can harm a generation upward. Second, student loans don't necessarily die like other forms of debt and can persist, making it difficult to fully discharge them.

## PRO: Debt forgiveness increases college attendance

**Warrant:** The college debt crisis is pushing people away from attending four-year colleges.

Dickler, Jessica. "College debt crisis drives more students away from four-year schools." *CNBC*, September 5, 2021, https://www.cnbc.com/2021/09/05/college-debt-crisis-drives-more-students-away-from-four-year-schools.html.

A recent survey of high school students found that the likelihood of attending a four-year school sank nearly 20% in less than a year — down to 53%, from 71%, according to ECMC Group, a nonprofit aimed at helping student borrowers. **Almost one-third of high schoolers said the pandemic's financial impact made it less likely they will attend a four-year college, the report found. Students said they are putting more emphasis on career training and post-college employment. More than half said they can achieve professional success with three years or less of college, and just one-fourth believe a four-year degree is the only route to a good job.** ECMC Group polled more than 1,000 high school students three times over the last year.

**Warrant:** Student debt reforms could make college more attractive again.

Zinkula, Jacob and Ayelet Sheffey. "Biden's student-debt relief plans aren't enough to restore the value of a college degree as more young people decide to skip it." *Insider*, October 29, 2022, https://www.businessinsider.com/college-enrollment-declining-student-debt-reforms-2022-10?op=1.

The decline in enrollment isn't a new trend, either — or one driven solely by the pandemic. Roughly 3 million fewer Americans are enrolled in college compared with a decade ago for reasons such as changes in age demographics, the availability of jobs that don't require degrees, and broader scrutiny over whether the steep cost is worth it. This decline could very well continue. **In an ECMC Group survey of over 1,000 students conducted earlier this year, only 51% of Gen Z teenagers said they were considering a four-year degree. This marked a 20-percentage-point drop since May 2020. While the headline of Biden's August announcement may have been the up to $20,000 in student-loan forgiveness for millions of borrowers, it also laid the groundwork for making student loans less burdensome for students.**

**Warrant:** Modifying repayment plans makes college enrollment more popular

Ionescu, Anamaria. "Federal Student Loan Program: Quantitative Implications for College Enrollment and Default Rates." *SSRN*, January 2, 2008, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=976709. Accessed October 7, 2023.

**My results suggest that (i) a change in policy that allows tudents to lock in the interest rate or to switch repayment plans will increase college enrollment by 8.84%,** but (ii) relaxed eligibility requirements have little effect on enrollment and default rates. **The increase in enrollment under the first policy change is accounted for by high ability groups. This creates changes in life-cycle earnings for high-school graduates. The former policy induces substantial welfare gains for bottom income quantiles while the latter policy implies minimal welfare gains for the bottom income quantile**. College enrollment is not affected differentially by initial asset groups. I conclude that the former policy change has been more effective given the original objectives of reducing the default rate. I have also studied a version of the environment where default is completely prohibited. This will induce lower enrollment and welfare losses for all income groups.

**Impact:** Attending college leads to better health outcomes

Kumok, Zina and Alicia Hahn. "7 Compelling Reasons Why You Should Go To College." Forbes, June 14, 2023, https://www.forbes.com/advisor/student-loans/why-should-you-go-to-college/. Accessed October 7, 2023.

Having a college education can actually help you live longer. Those with at least some college education have mortality rates that are less than half of those who haven't attended college. **High school graduates who have never attended college have a higher rate of smoking—about 3.9 times greater than college graduates, according to a Lumina Foundation survey. Those who haven't attended college also have a higher rate of obesity and heavy drinking. There are many reasons that higher education correlates with better health. Those with college degrees have greater access to health insurance, which can lead to more preventative screenings.** The higher salaries that often accompany college degrees can also lead to safer housing, better access to healthy foods, less exposure to pollutants and greater access to green spaces.

**Impact:** Attending college is key to higher earnings

Kumok, Zina and Alicia Hahn. "7 Compelling Reasons Why You Should Go To College." *Forbes*, June 14, 2023, https://www.forbes.com/advisor/student-loans/why-should-you-go-to-college/. Accessed October 7, 2023.

One of the most compelling reasons to attend college is to earn more money. Over a lifetime, a higher salary can add up to millions more dollars in the bank. **According to the U.S. Bureau of Labor Statistics (BLS), those with bachelor's degrees earned a median of $1,305 a week, while high school graduates earned $781. Annually, that amounts to a difference of nearly $30,000. But what do those extra earnings look like over a 40+ year career? In a recent Georgetown University study, high school graduates earned a median of $1.6 million over their lives, compared to the $2.8 million earned by college grads—that's a 75% increase in earnings.** Of course, a college degree doesn't guarantee a high salary, and wages vary widely based on your chosen major and career. However, there is a strong correlation between education and wages, and those with higher degrees often out-earn those who skipped college. While college is expensive, it's often worth the cost.

**Analysis:** This argument says that debt forgiveness makes it easier for the average person to attend college by making college seem more affordable. This argument could be coupled with evidence discussing the rapid increase in tuition for a strong case.

## PRO: Debt forgiveness enables higher education

**Argument:** Debt forgiveness will allow more students, and students of diverse backgrounds, to access higher education

**Warrant:** High costs deter students from school

Gipson, Katrina. "Forgive student loans to ensure diversity in higher education." August 2023. The Hill, https://thehill.com/opinion/education/4135597-forgive-student-loans-to-ensure-diversity-in-higher-education/

Compounding factors such as disproportionate amounts of student debt, decreased access to high paying jobs, and inequitable pay for the same work puts Black college graduates at a disadvantage. This leads to fewer Black students in college, less disposable income, and an inability to close the generational racial wealth gap. **Each year, financially inexperienced teenagers are saddled with the decision to acquire debt to attend college. According to a 2021 article in the Journal of College Access, 54 percent of first-generation college students are racial minorities. These students are more likely to be from lower-income homes, as college graduates make 84 percent more than those who only hold a high school diploma. They by definition cannot rely on their parents' personal experience to help them to navigate the college application and student debt process. As a result, these students may be deterred from applying to more costly schools at which they could be academically competitive — and these higher learning institutions lose the benefit of the racial and socioeconomic diversity that these students offer.** In the worst case scenario, such students may feel that they can't attend college at all.

**Warrant:** High tuition also deter post-college education.

Gipson, Katrina. "Forgive student loans to ensure diversity in higher education." August 2023. The Hill, https://thehill.com/opinion/education/4135597-forgive-student-loans-to-ensure-diversity-in-higher-education/

**These problems don't end after obtaining a bachelor's degree. Students who could become brilliant lawyers or physicians may make other plans due to the high cost of a professional degree. The Journal of Blacks in Higher Education recently showed that 95.5 percent of Black medical residents have some form of debt, more than any other racial group. Furthermore, the American Medical Association shows an inverse relationship between the amount of educational debt and the intent to enter primary care.** Primary care fields often pay less than other medical specialties. Fewer Black doctors in primary care leads to worse health outcomes for all patients. As a result, student debt lowers diversity at higher learning institutions and in life-saving medical specialties. What is to be done? Schools can ease student debt by making tuition free for lower income students. For example, Princeton offers free tuition for students whose families make less than $75,000 a year, and families who make up to $100,000 a year contribute at most 10 percent of their income.

**Warrant:** America needs more skilled workers.

Staff. "Fulfilling the potential of US higher education." April 2023. McKinsey, https://www.mckinsey.com/industries/education/our-insights/fulfilling-the-potential-of-us-higher-education

Deploy student-specific, data-driven interventions to improve access and close the 45-percentage-point gap in completion rates, supporting students from enrollment to employment. Guide students toward high-ROI, high-employment pathways through enrollment in the 64 percent of postsecondary programs that offer positive ROI within ten years. Explore options to improve college affordability through cost efficiency and new financing mechanisms. **Graduating ten million more graduates in 20 years is in many ways an imperative for the future success and resilience of the country. The United States needs more graduates to fill skilled jobs; drive greater economic growth, mobility, and competitiveness; increase civic engagement; and improve health outcomes and national security. And hanging in the balance are individuals—ten million of them—on whom the future of the nation, and its promise, may well rest.**

**Warrant:** The cost of additional college graduates is high

Staff. "Fulfilling the potential of US higher education." April 2023. McKinsey, https://www.mckinsey.com/industries/education/our-insights/fulfilling-the-potential-of-us-higher-education.

Expanding enrollment could become the next priority—particularly for lower-income students, since only 11 percent of available two- and four-year capacity is at institutions with above-average completion rates and Pell Grant–eligible student shares. Increasing enrollment by 2 to 3 percent a year while implementing measures to improve completion rates could create enough additional capacity to realize the "ten in 20" goal. **The total cost of producing ten million additional graduates over 20 years would be roughly $1.2 trillion across all stakeholders. These costs could be reduced if higher education institutions increased affordability and decreased barriers to education, for example through online and hybrid programs and tuition installment plans. They can also be mitigated through academic offerings that lead to higher completion rates and higher-paying jobs.** Higher education funders will need to collaborate to help finance this effort and ensure that potential students both graduate and find gainful employment.

**Analysis:** This is a good argument because it is long-term oriented. Make the case that all of the problems in the world will be worse in a future where America is dealing with a skilled labor shortage. Show the judge that paying for college now is better than a labor shortage down the road.

## PRO: Debt forgiveness generates political capital

**Argument:** Student debt forgiveness is very popular among voters. This will allow progressive politicians to win more elections and push for prosocial change.

**Warrant:** Student debt forgiveness is popular

Galston, William. "Do Americans support President Biden's student loan plan?." *Brookings*, Sept. 2022. https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/

"Public opinion surveys—some conducted after the president's announcement, others in the months that preceded it—illuminate the strengths and vulnerabilities of President Biden's plan in the eyes of the electorate. Here are some of the principal findings. Although **most Americans have never had a student loan and fewer than one in five now have one, the issue directly touches a wide swath of the public. Among registered voters, 15 percent will have their loans reduced or completely forgiven, 25 percent have family members eligible to participate in the plan, and 18 percent have close friends in this situation. A majority of voters believe that there were compelling reasons for the president to act. Two thirds say that student loan debt is a serious problem, and more than six in 10 say that it is preventing young people from buying homes and having children. Sixty-three percent see student loan debt relief as lightening financial burdens, especially on low-income households."**

**Warrant:** Biden's debt forgiveness plan is very popular

Galston, William. "Do Americans support President Biden's student loan plan?." *Brookings*, Sept. 2022. https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/

**Every survey has shown majority but not overwhelming support for President Biden's plan to reduce the burden of student loan debt. The two most recent polls, Quinnipiac and The Economist/YouGov, put support among registered voters at 51 percent and 52 percent, respectively. Support among Hispanic and Black voters was substantially stronger, as was support among voters under age 50. Among swing voters, moderate and suburban voters gave the plan majority support** while Independents were about evenly divided. Women are significantly more favorable to the plan than men, and the gender gap is especially large among white Americans. Every element of the plan enjoys majority support. In a detailed battery of questions, the Economist/YouGov poll found majorities of voters in favor of extending the payment moratorium until the end of the year, cancelling $10,000 of debt for individuals earning less than $125,000, capping monthly payments at five percent of a borrower's monthly income, forgiving loan balances of $12,000 or less after 10 years of payments, and having the federal government cover unpaid interest for borrowers making monthly payments based on their income.

**Warrant:** Political capital is important

Politi, James. "Is the US President Out of Political Capital?." Financial Times. June 10, 2022, https://www.ft.com/content/3ed8d073-531e-480b-8ce7-44c848c03cfa

"The rest of the world is looking to us," **Biden** continued. "There really is [a question of] 'What happens if the US goes back to a Trumpian government?' It is a gigantic, gigantic setback." The warning was intended to mobilise donor support for Democrats up and down the ballot ahead of the midterms, when significant defeats are expected, including the probable loss of control of the House of Representatives and a possible move to minority status in the Senate. But it also reflected a more disturbing reality for the 79-

year-old president: in the space of just 17 months, he **has already burnt a lot of the political capital he had when he walked into the Oval Office in January last year**.

**Impact:** The President is in a bad position, which will make future ambitious agenda items difficult

Politi, James. "Is the US President Out of Political Capital?." Financial Times. June 10, 2022, https://www.ft.com/content/3ed8d073-531e-480b-8ce7-44c848c03cfa

**Julian Zelizer, a professor of political history at Princeton University, says that is a "terrible position" for the incumbent to find himself in. "Between midterms historically going poorly and the convergence of so many issues that are not favourable to the administration, Democrats are right to be incredibly concerned about what's coming in November. The clock keeps ticking, and the time between now and November keeps getting shorter,** which means the problems will probably last," he says. As for the presidential election in 2024, some in Washington are not so sure that it would be wise for Biden to run. Gunner Ramer, an analyst at Longwell Partners, an anti-Trump Republican consulting group, says that those who voted for Biden in 2020 are now unenthusiastic about him "or at least unenthusiastic about him running again".

**Analysis:** This is a good argument because it situates the student debt conversation in the context of larger policy questions. Teams that want to win larger impacts beyond student debt relief, such as climate change, should explain how the current fight over student debt relief is necessary to build political capital for future contests.

## PRO: Student loans are expensive

**Argument:** Forgiving student loans would eliminate a major financial hardship for many Americans.

**Warrant:** Falling behind on student loan payments creates negative consequences

Nova, Anna. "Falling behind on federal student loans can lead to other major financial problems." *CNBC*, December 10, 2023, https://www.cnbc.com/2023/02/22/falling-behind-on-student-loans-can-lead-to-other-financial-problems.html

**Falling behind on federal student loans is likely to trigger other major financial consequences for borrowers, according to new research by The Pew Charitable Trusts. More than 80% of borrowers who experienced default stated that they'd faced at least one additional consequence as a result. The most common impact was a drop in their credit score (62%) followed by being subject to collection fees (47%) and losing eligibility for future federal financial aid (37%). Other consequences that followed from a default on federal student loans included wage garnishment, the suspension of professional licenses and having Social Security or tax refunds offset.** (The research organization NORC at the University of Chicago conducted an online survey on behalf of Pew in the summer of 2021 studying borrowers' experiences, focusing on those who had defaulted on a federal student loan. The sample included 1,609 respondents.)

**Warrant:** The United States is set for a historic increase in defaults

Nova, Anna. "Falling behind on federal student loans can lead to other major financial problems." *CNBC*, December 10, 2023, https://www.cnbc.com/2023/02/22/falling-behind-on-student-loans-can-lead-to-other-financial-problems.html

Most recently, **U.S. Department of Education Undersecretary James Kvaal said that if the government isn't allowed to carry out its sweeping student loan forgiveness plan, there could be a "historically large increase in the amount of federal student loan delinquency and defaults as a result of the Covid-19 pandemic."** Many unaware of consequences of default. **The Pew survey found that many borrowers aren't aware of specific consequences of defaulting on their federal student loan debt. A third or less of respondents knew, for example, about the possibility of collection fees or wage garnishment prior to falling behind.** "The consequences of default are not just punitive but also intended to recover the funds for the federal government," said higher education expert Mark Kantrowitz. In addition to the financial setbacks, respondents reported "a high emotional toll" connected to experiencing the consequences of default "with themes of sadness, depression and anger."

**Warrant:** Rising student debt may harm the economy

Staff. "Is Rising Student Debt Harming the Economy?" *Council on Foreign Relations*, August 2023, https://www.cfr.org/backgrounder/us-student-loan-debt-trends-economic-impact#chapter-title-0-2

Many experts and policymakers agree that both the rising cost of college and the existing volume of loans need to be addressed. They acknowledge that **surging student debt is harming younger generations of students by preventing them from reaching their financial goals while exacerbating racial inequality. While older generations were generally able to pay their way through school, or find jobs that enabled them to pay off their debts, that no longer holds true for recent cohorts,** they argue. The combination of soaring tuition costs and the recessions caused by the 2008 financial crisis and the COVID-19 pandemic have particularly affected the millennial and subsequent generations. Additionally, student loans are more difficult to discharge in bankruptcy than other forms of consumer debt, such as from credit cards, because borrowers are required to prove "undue hardship" from their loans in court.

**Warrant:** Student debt is unmanageably large.

Staff. "Is Rising Student Debt Harming the Economy?" *Council on Foreign Relations*, August 2023, https://www.cfr.org/backgrounder/us-student-loan-debt-trends-economic-impact#chapter-title-0-2

**Student debt has more than doubled over the last two decades. As of March 2023, about forty-four million U.S. borrowers collectively owed more than $1.6 trillion in federal student loans. Additional private loans bring that total to above $1.7 trillion, surpassing auto loans and credit card debt. Only home mortgage debt, at about $12 trillion, is larger.** Student debt is growing as more and more students attend college. In the late 1980s and early 1990s, most high schoolers did not enroll at colleges or universities; of those that did, less than half borrowed money to do so. In 2022, almost two-thirds of recent high school graduates were enrolled, and most took out student loans. **The average student is also taking on more debt: the balance per borrower rose by 25 percent from 2009 to 2021, according to U.S. News and World Report. Students are generally borrowing more because college tuition has grown many times faster than income. The cost of college—and resulting debt—is higher in the United States than in almost all other wealthy countries, where higher education is often free or heavily subsidized. Meanwhile, U.S. states have pulled back funding for public universities and colleges in the wake of the Great Recession.**

**Analysis:** This argument is the mainstay of the affirmative side. At bottom, high levels of student debt are devastating for borrowers. Use this evidence to show the judge the unimaginable scope of money that young Americans owe.

## PRO: Student loans hurt low-income students

**Argument:** Student debt is concentrated among the poor, and defaults are particularly concentrated among the poor. This makes student debt a structural problem.

**Warrant:** The impacts of student debt are felt by the economically marginalized.

Thompson, Maggie. "Why Student Loan Debt Harms Low-Income Students the Most." TalkPoverty, March 2016, https://talkpoverty.org/2016/05/02/why-student-loan-debt-harms-low-income-students-the-most/index.html

Four years ago, student loan debt in America topped $1 trillion. Today, that number has swelled even further, with some 43 million Americans feeling the enduring gravity of $1.3 trillion in student loan debt. While student debt may not intuitively register as something that plagues the poor**, student debt delinquency and defaults are concentrated in low-income areas**, even though lower-income borrowers also tend to have much smaller debts. **Defaults and delinquencies among low-income Americans escalated following the Great Recession of 2008, a period when many states disinvested from public colleges and universities. The result was higher costs of college, which has led to larger loans. Low-income students are often left at a dramatic academic disadvantage in the first place. For example, students who work full-time on top of college classes can't cover the cost of tuition or living expenses, and working while in school can actually shrink the chance of graduating altogether.** Moreover, these students are less likely to have access to career counseling or outside financial resources to help them pay for school, making the payoff negligible at best.

**Warrant**: Low income students are more likely to drop out

Thompson, Maggie. "Why Student Loan Debt Harms Low-Income Students the Most." TalkPoverty, March 2016, https://talkpoverty.org/2016/05/02/why-student-loan-debt-harms-low-income-students-the-most/index.html

**The inequity is so crushing that an alarming number of these students—predominantly students of color—are dropping out of school altogether. One-third of low-income student borrowers at public four-year schools drop out, a rate 10 percent higher than the rest of student borrowers overall.** When it comes to for-profit colleges, the story gets even worse. These institutions often target prospective students who are low-income while falsely assuring positive job and economic prospects upon graduating. **Many students do end up dropping out, and even those who do graduate do not always receive a quality education that leaves them prepared for success—or with an income that matches up with their monthly loan payments. Their degrees too often cannot compete in the job market, leaving many of these students jobless. This confluence of factors explains why borrowers who owe the least tend to be lower-income, and are the most likely to fall behind or default on their monthly payments.** As the Mapping Student Debt project has found, people with more debt are less likely to default on their loan payments because they have the most access to wealth, whether through family money or financial assets or educational degrees. And it's not hard to connect the dots. The biggest borrowers tend to be the biggest earners, so those who take out large loans to pay for graduate or professional school are less likely to default or fall behind because they're in high-earning jobs.

**Warrant:** Low income students suffer from defaults

Harman, Andrew. "Damned by Default: Low-Income Borrowers and Student Debt." Center for Strategic and International Studies, Nov 2020, https://www.law.georgetown.edu/poverty-journal/blog/damned-by-default-low-income-borrowers-and-student-debt/.

The United States faces a student debt crisis of epic proportions, as student loans are now the second largest household debt behind mortgages. Perhaps more alarming than the sheer amount of student debt being accumulated by Americans is the rate of default on such debts, which is projected to reach as high as 40% by 2023 for borrowers who entered college in 2004. Yet even if this doomsday scenario does not come to fruition, a whopping one million borrowers default on their federal student loans every year. Despite the narrative currently permeating societal discourse that the student default crisis is the result of irresponsible youngsters who over-borrow for useless degrees,[4] the facts paint a different picture. **The vast majority of defaulters are older, more likely to be financially independent than other borrowers, and more likely to come from low-income families. In fact, roughly 90% of defaulters have received a Pell Grant, and 40% fall in the bottom quartile of the income distribution.**

**Impact:** Default is disastrous for low-income borrowers

Harman, Andrew. “Damned by Default: Low-Income Borrowers and Student Debt.” Center for Strategic and International Studies, Nov 2020, https://www.law.georgetown.edu/poverty-journal/blog/damned-by-default-low-income-borrowers-and-student-debt/.

**The economic impacts of default are not only severe for the individuals involved, who face huge hits to their credit scores, wage garnishment, and an inability to take out loans to complete their degrees, but also to the economy as a whole.[11] Defaulters are even less able to participate in the activities that drive the economy than their debt-saddled counterparts.**[12] Their inability to buy homes, own and operate small businesses, and participate in meaningful retirement plans has negative repercussions for the American economy and is costing taxpayers money.[13] For example, in 2017, taxpayers spent $700 million to collect debts from roughly 7 million student-loan defaulters.[14] Yet for every $38 spent to recoup debts from defaulted accounts, just $1 was recovered.

**Analysis:** This is a good argument because it shows that student debt is particularly devastating to an economically vulnerable group. Make the case to the judge that public policy should help the most needy.

## PRO: Student loans hurt marginalized groups

**Argument:** Student debt disproportionately impacts racial minorities, create a structural cycle of discrimination.

**Warrant:** Student debt burdens Black families more.

Andre Perry, Mashall Steinbaum, Carl Romer. "Student loans, the racial wealth divide, and why we need full student debt cancellation." *Brookings Institute*, June 2021, https://www.brookings.edu/articles/student-loans-the-racial-wealth-divide-and-why-we-need-full-student-debt-cancellation/

**But a college degree does not eliminate the income gaps between white and Black workers. Black students finance their education through debt, and thus college degrees actually further contribute to the fragility of the upwardly mobile Black middle class. And because education does not achieve income parity for Black workers, the disproportionate debt Black students are taking to finance their education is reinforcing the racial wealth gap.** Today, the average white family has roughly 10 times the amount of wealth as the average Black family, while white college graduates have over seven times more wealth than Black college graduates. Most analysts believe there is a student debt problem in the United States, and even conservative scholars acknowledge some debt must be forgiven. Tuition is outpacing students' ability to pay, and the share of students taking out loans to finance their degrees rose from roughly half (49%) to over two-thirds (69%) from 1993 to 2012, according to the Pew Research Center. Between 1993 and 2020, the average loan amount grew nearly three-fold, surpassing $30,000.

**Warrant:** The Arctic is key to projecting US hegemony around the world

Andre Perry, Mashall Steinbaum, Carl Romer. "Student loans, the racial wealth divide, and why we need full student debt cancellation." *Brookings Institute*, June 2021, https://www.brookings.edu/articles/student-loans-the-racial-wealth-divide-and-why-we-need-full-student-debt-cancellation/

Disagreement on the extent of the student debt problem tends to center on the positive correlation between educational attainment and income. Scholars who downplay the problem of student debt tend to assume that that relationship is causal, and that student borrowers are largely able to repay their loans out of the higher income their borrowing financed. However, too great a focus on income can lead researchers to wrongly assume that people with similar incomes have the same ability to pay back student loans. **Regardless of the incomes they make after graduation, Black households carry more student debt, which pushes down their creditworthiness. Unsurprisingly, then, Black people with a college degree have lower homeownership rates than white high school dropouts. Moreover, research from the Federal Reserve Bank of St. Louis finds that after college graduation, white households receive wealth transfers from their family to help pay for things like the purchase of a home. Black households, on the other hand, transfer their increased post-college income to help their family. Different patterns of intergenerational transfers contribute to nearly three-quarters of Black borrowers' student loans having a higher balance today than they did originally.**

**Warrant:** Student loan debt has a lasting effect

Khan, Saher. "Student loan debt has a lasting effect on Black borrowers, despite the latest freeze in payments." *PBS*, Apr 2022, https://www.pbs.org/newshour/economy/student-loan-debt-has-a-lasting-effect-on-black-borrowers-despite-the-latest-freeze-in-payments

"But no – I've got two kids. My daughter will be in high school next year. My son will be in eighth grade. I've got a car note, I've got rent, I've got health care." Brooks isn't alone. Americans, in total, owe nearly $1.75 billion in student loan debt with more than 44 million people owing, according to a 2020 NAACP report. **Among 2016 graduates, nearly 40 percent of Black students left college with $30,000 or more in debt, compared with 29 percent of white students, 23 percent of Hispanic students and 18 percent of Asian students. Additionally, 86 percent of all Black students graduated that same year with debt of any amount, compared to 70 percent of white students, 67 percent of Hispanic students and 59 percent of Asian students.**

**Impact:** Debt is harder on Black households

Khan, Saher. "Student loan debt has a lasting effect on Black borrowers, despite the latest freeze in payments." *PBS*, Apr 2022, https://www.pbs.org/newshour/economy/student-loan-debt-has-a-lasting-effect-on-black-borrowers-despite-the-latest-freeze-in-payments

"Black households are more likely to hold student loan debt than white households," explained Persis Yu, policy director and managing counsel at the Student Borrower Protection Center. **"Black students rely on student loan debt to a higher percentage than their white peers as well as take on more debt than their white peers," Yu said. That's at least in part because Black students' parents tend to have lower total incomes, according to the NAACP report. Forty nine percent of Black students' parents made less than $35,000, while 69 percent of white students' parents made more than $70,000. "Put simply, Black borrowers both acquire more debt and, due to wage and employment inequities in the labor market, are in more precarious positions when it comes to their ability to repay,"** the authors write.

**Analysis:** This is a good argument because it demonstrates that student debt is part of a more pernicious system of structural discrimination in the financial system. Show the judge that student debt is unjust for the same reason that other structural inequalities are unjust.

## PRO: Debt forgiveness would increase homeownership rates among youth

**Argument:** Forgiving federal student loans would alleviate the pressures on youth preventing them from settling down and buying a home.

**Warrant:** Student loan debt affects borrowers' debt-to-income ratio and negatively impacts their ability to take out loans.

Cohn, Jason & Caitlin Young. "Student Debt Relief Could Help Some Borrowers Access Homeownership." Urban Institute, 15 Sept. 2022. https://www.urban.org/urban-wire/student-debt-relief-could-help-some-borrowers-access-homeownership.

For some borrowers, **student loan debt can be a hindrance to homeownership. Having outsize loan balances can raise borrowers' debt-to-income (DTI) ratios—which most lenders consider to be an important indicator of borrower creditworthiness in their underwriting decisions—and prevent them from saving money. And for borrowers who've defaulted on their student loans, the hit to their credit score could make them ineligible for a mortgage. The Biden administration recently announced its proposal for student debt relief**, which includes $10,000 of loan forgiveness for most borrowers with up to $20,000 of forgiveness for Pell grant recipients, a more generous income-driven repayment (IDR) plan, and an extension of the payment pause through the end of the year. The administration also released the details of its Fresh Start initiative, which will allow defaulted borrowers to return to a current status when student loan payments resume. **These proposed policy changes could speed up the path to homeownership for some student loan borrowers—particularly borrowers of color—by lowering their DTI ratios, allowing them to save more for down payments, and improving their credit histories.**

**Warrant:** Student loan debt makes people pay more for all types of debt, including mortgages.

Friedman, Zack. "Report: Your Student Loans Have a Hidden Cost." Forbes, 20 May 2020. https://www.forbes.com/sites/zackfriedman/2020/05/20/student-loans-mortgage-credit-cards/?sh=48adfab24554.

In the wake of the COVID-19 pandemic and with more than 36 million people unemployed, this places additional pressure on student loan borrowers who are already facing large financial pressure. Low Student Loan Debt: *$13,452 more*. High Student Loan Debt: *$29,495 more*. Moderate Student Loan Debt: *$29,066 more.* The authors say these additional costs will be exacerbated during and after COVID-19, particularly for the most vulnerable student loan borrowers. What is the "secret price" of auto loans? *The secret price of auto loans is up to $3,289.* The report show that **student loan borrowers with high student loan debt pay $3,289 more for auto loans. The authors call this a "secret price," or premium charged to borrowers with student loans. Even a borrower with a moderate amount of student loan debt would pay $1,301 more for an auto loan.** What is the "secret price" of mortgages? *The secret price of mortgages is up to $25,348.* **The report show that student loan borrowers with high student loan debt pay $25,348 more for a mortgage. Even a borrower with a moderate amount of student loan debt would pay $9,929 more for a mortgage.** What is the "secret price" of credit cards? *The secret price of credit cards is up to $428.* The report show that **student loan borrowers with high student loan debt pay $428 more for credit card debt. Even a borrower with a moderate amount of student loan debt would pay $241 more for credit card debt.**

**Impact:** Homeownership improves the economy and has positive impacts of later generations' prosperity.

Yun, Lawrence. "Why Homeownership Matters." *Forbes*, 12, Aug. 2016. https://www.forbes.com/sites/lawrenceyun/2016/08/12/why-homeownership-matters/?sh=805bca2480f3.

Third, **homeownership is good for the economy.** Americans do not view ownership as one and done. They want to constantly improve. So homeowners after 7-to-10 years typically sell their starter home and trade up. For some empty nesters, improvement may mean downsizing. Whatever the case, **homeowners do buy multiple homes over their lifetime and in the process contribute to economic growth and job creation. With each home sale, there are expenditures related to lawn care, home remodeling, new furniture, mortgage origination, moving, and an inducement to build new homes. Some portions of these earned incomes subsequently get spent in the local economy – what economists call the multiplier effect - in the form of eating at restaurants, going to a ballgame, or buying a car. In essence one new job is supported from every two home sales, according to NAR calculations**. Fourth, **homeownership provides social benefits beyond pure financial and economic benefits. Research on the subject has found that, other things being equal, children of homeowners do better in school (higher test scores and lower anti-social behaviors). Lower crime and lower drug usage were among the findings for the children of homeowners. Homeowners are more likely to be involved in community civic engagements, local elections, and volunteer work compared to renters –again with other things being equal. Health outcomes are also better with homeowners**. Perhaps this result arises from a better sense of self-control and self-worth among homeowners versus renters as academic studies have shown. **A recent study from the Boston Federal Reserve found that the income of homeowners' children rises if home values rise, speculating that housing equity permits more human capital investment**. This study reinforces the need for sustainable homeownership and not unsustainable homeownership.

**Impact:** Homeownership increases investment opportunities for households.

National Association of Home Builders Housing Policy Department. "The Benefits of Homeownership." International Housing Association, 19 Feb. 2019. https://www.internationalhousingassociation.org/page.aspx/generic/sectionID=3220/fromGSA=1.

**An important motivating factor in the pursuit of homeownership is the investment opportunity it offers for many families. Equity in a home constitutes a substantial proportion of a typical American family's wealth.** Recent research indicates that **equity in owner-occupied housing equals 44% of the net worth of white households and 61% for both African American and Hispanic households**.2 The return on after-tax equity for housing is attractive relative to other investments. Burbidge (2000) indicates the capital gain for housing for relatively low-wealth households, who muster a small downpayment, is higher as measured as return to equity invested.3 Furthermore, **investment in housing serves to diversify a household's total investment portfolio.**4 **Homeownership also shields households from the risk of large increases in rental prices.5** Preparing for and obtaining homeownership also offers significant advantages for the savings behavior of households. In general, economic theory suggests that young households are poor savers. However, the act of buying a home encourages a young household to save to pay for a downpayment on a home and other relocation costs.6 Haurin et al. (1996) indicate that households preparing to purchase a home increase their labor supply, thereby increasing household income.

**Analysis:** Weigh this argument while thinking about the downstream impacts of more stable families and households. People's investment in civil society through property can be weighed with a variety of additional impacts, even if the ones shown above are basic and reliable. However, be ready to fight real estate inflation arguments.

## PRO: Debt forgiveness would boost entrepreneurship

**Argument:** Student loan debt prevents the launching of entrepreneurial projects that animate the economy and encourage innovation.

**Warrant:** Student loan debt decreases young people's ability to start businesses.

Desai, Sameeksha, et al. "Student Loans and Entrepreneurship: An Overview." Ewing Marion Kauffman Foundation, *Entrepreneurship Issue Brief*, No. 5, https://files.eric.ed.gov/fulltext/ED607531.pdf.

One way to consider the relevance of student loan debt is to think about the entrepreneurial process as a series of decisions. **Surveys of borrowers suggest that student loan debt influences borrowers' perceptions of their options related to entrepreneurship. Borrowers report, for example, that student loan debt has affected their decision or ability to start a business, including the choice to delay starting a business.9, 10 A survey of 800 individuals between the ages of 18 and 34 found that among those with student debt who currently own or have plans to own a business, nearly half reported that their student loan payments affected their ability to start a business. It also found that approximately 4 in 10 young adults believe that student loan debt had already impacted or would impact their ability to invest in an organization or hire new employees**,11 suggesting that they think beyond whether to start a business and consider the additional decisions they may face in the future if they start a business, such as hiring.

**Warrant:** Student loan forgiveness is an effective way of supporting entrepreneurs and reducing the total economic pressure they face in a time where too many threats prevent them from starting businesses.

**Small business owners cited inflation, cash flow, and low sales as their biggest challenges over the past year, with concerns over inflation rising by 10% since March. Almost half of all small business owners (48%) report currently experiencing burnout, or having felt it in the past month**. And **of small business owners facing student loan debt, one-third report that it has negatively impacted their ability to scale or grow their business**. But that cohort sees relief on the horizon: **76% of small business owners with student loan debt say that Biden's loan forgiveness plan will allow them to invest more into their business**. The application for that loan forgiveness plan, which would forgive $10,000 in federal student debt for individuals earning less than $125,000, still has no set release date, but White House officials have said the program is still on track for an October launch. **The loan forgiveness program could have an even greater impact on small business owners than the student loan repayment, interest, and collection pause that took place during the COVID-19 pandemic, which only 56% of small business owners with student loans said allowed them to invest more in their business**. Long story short, **though inflation and other economic woes aren't going anywhere, student debt relief could be the boost small businesses need to keep growing in a shifting marketplace.**

**Impact:** Small businesses cannot create the jobs they would otherwise be able to.

Ambrose, Brent et al. "The Impact of Student Loan Debt on Small Business Formation," Federal Reserve Bank of Philadelphia, Jul. 2015. https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2015/wp15-26.pdf?la=en.

**Small businesses are the backbone of the U.S. economy and account for approximately one-half of the private-sector economy and 99% of all businesses**. To start a small business, individuals need access to capital. **Given the importance of an entrepreneur's personal debt capacity in financing a startup business, student loan**

**debt, which is difficult to discharge via bankruptcy, can have lasting effects and may have an impact on the ability of future small business owners to raise capital.** This study examines the impact of the growth in student debt on net small business formation. **We find a significant and economically meaningful negative correlation between changes in student loan debt and net business formation for the smallest group of small businesses, those employing one to four employees**. This is important since **these small businesses depend heavily on personal debt to finance new business formation**. Based on our model**, an increase of one standard deviation in student debt reduced the number of businesses with one to four employees by 14% on average between 2000 and 2010. The effect on larger firm formation decreased with firm size, which we interpret to mean that these firms have greater access to outside capital**.

**Impact:** Student loan forgiveness would allow for greater innovation as new entrepreneurs flood the market.

Greene, Patricia. "The State of Small Business in America 2016." Goldman Sachs & Babson College, 10 Apr. 2016. https://www.goldmansachs.com/citizenship/10000-small-businesses/US/news-and-events/babson-small-businesses/multimedia/babson-state-of-small-business-in-america-report.pdf.

Technology is a tool-belt; innovation is the application of those tools to develop new ways of doing things. **One path in the quest for business growth is pursuing new opportunities, applying tools strategically to these opportunities, and protecting the subsequent value created. The 10KSB respondents employ a variety of strategies to pursue their business growth** aspirations: **35% are engaged in research and development in a new product or service that is not yet launched, 46% are launching a new product or service, and 62% are improving the quality of an existing product or service. These numbers are significantly higher than those in the control group (16%,**

**31% and 49% respectively). The two groups differ most notably by whether or not the business owners made any changes to their businesses, with 27% of the control group reporting no changes in the past two years, more than five times lower than the level reported by 10KSB respondents (5%).**

**Impact:** Small business innovation relates strongly to the strength of US national defense.

Schmidt, Johannes. "How Small American Businesses Are Driving Defense Innovations." Department of Defense, 20 Apr. 2023. https://www.defensesbirsttr.mil/Resources/In-the-News/News-Display/Article/3383784/how-small-american-businesses-are-driving-defense-innovations/.

While **it might be tempting to assume that the Armed Forces partner exclusively with the multinational defense firms** often featured on the evening news, **the secretary's statement highlights the importance of the nearly 30 million businesses operating in the United States with revenues ranging from $1 to $40 million and employment numbers from 100 to 1,500: America's small businesses**. Often the unsung heroes of the defense industry, **these firms constitute 99.9% of all U.S. businesses and 73% of companies in the defense industrial base. Considering that over 25% of all Department of Defense prime contracts were awarded to small businesses**, this number is especially noteworthy. One key initiative supporting the growth and success of small businesses in the defense sector is Marine Corps System Command's Small Business Innovation Research (SBIR) program.

**Analysis:** This is a strong argument given that small businesses represent a significant portion of the US economy, and student loans are a structural issue affecting economic growth. While the impacts shown above are consistent and easily weighed, consider emphasizing the impacts on equality when small firms are the ones that shrink or fail due to student loan debt and larger businesses persevere.

## PRO: Debt forgiveness would encourage family-building

**Argument:** Student loan debt discourages young couples from having families by placing disproportionate stress on them.

**Warrant:** Student loan debt forces potential families to delay key formation events like marriage and having children.

Hess, Abigail Johnson. "CNBC Survey: 81% of adults with student loans say they've had to delay key life milestones." CNBC, 28 Jan. 2022. https://www.cnbc.com/2022/01/28/81percent-of-adults-with-student-loans-say-they-delay-key-life-milestones.html.

"**Student loan debt prevents family formation, it prevents people from making decisions about their life,** about purchasing a home, about buying their first car, **about getting married, about having children," lists Nicole Smith, chief economist at the Georgetown University Center on Education and the Workforce**. "**And that wasn't the purpose of student loan debt. Student loan debt was supposed to be good debt — the type that you take out so that you can invest in your human capital formation so that you can live your life afterward — and it's morphed into something much more insidious."** Momentive researchers found that the most common sacrifices made by borrowers varied slightly by age. For instance, those aged 35-64 were most likely to delay paying off other loans, while borrowers under 35 were most likely to delay buying a home or investing.

**Warrant:** Student loan debt places disproportionate economic burdens on families trying to rear children.

Dundar, Afet et al. "Underwater: Student Mothers and Fathers Struggle to Support Their Families and Pay Off College Loans." *Institute for Women's Policy Research*, Apr. 2023. https://iwpr.org/wp-content/uploads/2023/04/Underwater-Student-Mothers-and-Fathers-Struggle-to-Support-Their-Families-and-Pay-Off-College-Loans.pdf.

Although Loans Helped Student Parents Achieve Financial Stability, They Still Worried about Meeting Basic Family Needs Reflecting on their borrowing, student parents were more likely to feel that loans helped them achieve financial stability (46.2 percent) than student non-parents (38.9 percent). However, **student parents were more likely than non-parents to report that, because of their student loan debt, they had difficulty meeting their families' economic needs (41.5 percent and 34.8 percent, respectively) and lacked enough disposable income (43.6 percent and 34.6 percent, respectively).** While Loans Helped All Students Attend College, Student Parents Were Somewhat More Likely to Regret Their Student Loan Choices More than half of student parents (58.7 percent) and non-parents (57.5 percent) agreed that loans supported their college enrollment and completion. However, **student parents were somewhat more likely to express regret regarding their student loan choices than were non-parents (49.6 percent and 44.4 percent, respectively).**

**Warrant:** Parent PLUS loans serve as debt traps that disproportionately hurt low-income families of color with worse repayment options than standard plans.

Turney, Cory. "Student loans for parents can be a debt trap. But there's a loophole." *NPR*, 4 Oct. 2023. https://www.npr.org/2023/10/04/1200775288/student-loans-parent-plus-save-plan.

According to federal data, **3.7 million Americans hold $111 billion in debt from parent PLUS loans. Though they're federal loans, if you close one eye and squint at them**

**sideways, parent PLUS loans look an awful lot like a bear trap**. **The interest rate is far higher than the rate on a standard undergraduate loan — 8.05% versus 5.50% — and parents don't have easy access to the low monthly payments of income-based repayment plans. There's also virtually no limit on how much families can borrow.** Which can be good. Or calamitous. In the ideal, parent PLUS loans can be engines of equity, helping low-income families and families of color send their children to schools that, because of cost and generational wealth gaps, might otherwise be out of reach. But **research suggests that these loans often become the opposite: drivers of inequity. "Because low-income families, and especially Black and Latino/a parents, are disproportionately taking out Parent PLUS loans, their heavy use and unfavorable terms and conditions exacerbate the racial wealth gap,"** said a 2022 report from the Century Foundation titled "Parent PLUS Borrowers: The Hidden Casualties of the Student Debt Crisis."

**Impact:** The US is facing a significant decline in its birth and fertility rates.

Chapman, Jeff. "The Long-Term Decline in Fertility—And What it Means for State Budgets." Pew, 5 Dec. 2022. https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets.

To study how rates have changed in recent years, Pew compared each state's 2020 general fertility rate (calculated by the Centers for Disease Control and Prevention) to that state's average rate between 2001 to 2010. By using an average as the baseline, the results are less influenced by temporary fluctuations. **In 2020, the national general fertility rate was down 15.9% from its average over the decade ending in 2010, with 10 states experiencing reductions exceeding 20%. Mostly Western states led the way in incurring the most dramatic long-term fertility rate declines, despite often experiencing strong population gains overall, due largely to migration. Demographics**

**play an important role in driving states' fertility declines. Many of the states with the sharpest fertility rate reductions have high concentrations of Hispanics, a group that experienced a particularly noticeable drop-off in fertility.8 Fertility among Hispanics has historically far exceeded that of non-Hispanics, which is primarily attributable to factors related to immigrant women.9 In recent years, however, Hispanic fertility has fallen nationwide to levels more in line with other groups.** A drop-off in immigration from Mexico played a major role in this drop as fertility for native-born Hispanics also decreased.10 Domestic migration and immigration from abroad influence states' overall birth trends.11

**Impact:** Since student loan forgiveness, increases disposable income and disposable income increases a family's likelihood to have children, forgiveness could reverse the declining birth rates.

Kearney, Melissa & Phillip B. Levine. "The Causes and Consequences of Declining US Fertility." Aspen Institute's Economic Strategy Group, Jan. 2023. https://www.economicstrategygroup.org/wp-content/uploads/2022/08/Kearney_ Levine_081222.pdf

The pro-cyclical nature of birth rates is a well-established empirical fact in economics and demography.4 The economic approach to modeling the decision to have a child has its foundation in the seminal work of Becker (1960). In short, **people are more likely to choose to become parents when they have more disposable income available to pay for the associated costs of childbearing. Increases in income lead to higher demand for children, holding other factors constant, and increases to the costs of raising children reduce demand for more children**. In a more dynamic setting, **people decide not only on the number of children to have, but also when over the lifecycle to have children**. In a standard economic model with no credit constraints, job loss and transitory changes in income would not be expected to affect when people have children. However, that is

> not the world we live in. Many people are credit-constrained, and empirical evidence shows that births (more accurately, conceptions leading to live births) increase when the economy is strong and decrease when it is weak.

**Analysis:** The link between the second warrant which talks about disposable income and the last impact is very strong and needs to be emphasized. Use it to show the judge the indispensable role that loan forgiveness will play in the economy.

## PRO: Debt forgiveness helps people to save better

**Argument:** Student loan forgiveness would enable households to save better.

**Warrant:** Student loans prevent people from saving for retirement.

Fidelity. "Student Loan Debt." 2022. https://www.fidelity.com/bin-public/060_www_fidelity_com/documents/about-fidelity/student-loan-debt-pov.pdf.

Over 44 million Americans are currently burdened with student loan debt. These borrowers owe an average of $37,172 and a combined total of $1.5 Trillion in student loan debt.1 The situation is only getting worse: by 2025, the amount of student loan debt is expected to double.2 Further, student loan debt can impact individuals many years after they graduate college. Though typically associated with only millennials, student debt impacts all age groups. Fifty-nine percent of millennials have student debt, in addition to 34% of Gen-Xers and 29% of baby boomers. **Fidelity's extensive research has found that the burden of student loans is both financial and deeply emotional. Student loan debt can cause significant stress to the borrower and have an impact on their financial priorities.3 In particular, Fidelity survey participants identify student debt as a deterrent to meeting these lifetime goals: • Retirement: 79% of respondents say student loans impact their ability to save for retirement, with 69% reporting that they changed their retirement plan by lowering or stopping their contributions or by taking loans or hardship withdrawals.** On average, participants with student debt contribute 6% less to their retirement accounts than individuals without student debt.3

**Warrant:** Student loans have the greatest negative impact on the growth of these funds, and the effects are felt differently by different age groups.

Bareham, Hanneh & Chelsea Wing. "Survey: Student loans have delayed wealth-building for Gen Z and millennial borrowers." Bankrate, 20 Apr. 2022. https://www.bankrate.com/ loans/student-loans/financial-milestone-survey-2022/.

**Of the U.S. adults surveyed who currently hold or have previously held student loan debt for themselves, 59 percent say that they have delayed financial milestones due to their student debt. Emergency funds and retirement savings have taken the biggest hit, with 27 percent of respondents delaying saving for emergencies and 26 percent of respondents delaying saving for retirement.** Age also plays a large factor in financial priorities. Younger borrowers are more likely to stall important financial decisions than their older counterparts; 74 percent of Gen Z borrowers (age 18 to 25) and 68 percent of millennial borrowers (age 26 to 41) have delayed financial decisions, compared to 54 percent of Gen X borrowers (age 42 to 58) and 42 percent of baby boomers (age 58 to 76). Among younger generations, Gen Z respondents say that they're most likely to delay buying or leasing a car, while **millennials are most likely to put off bolstering their emergency fund and buying a house. However, there are commonalities across age groups. In each generational category — with the exception of the silent generation (age 77-plus) — roughly 25 percent of respondents report delaying saving for retirement, saving for emergencies and paying off other debt.** However, Bankrate Chief Financial Analyst Greg McBride cautions borrowers against postponing other debt payments, especially credit card debt. "Debt repayment should prioritize high-cost credit card debt, especially relative to federal student loans, which carry many favorable provisions unavailable on other debt, such as deferment, income-based repayment or debt forgiveness in certain instances."

**Warrant:** Student loan recipients are disproportionately worse off relative to their peers in saving for critical expenses.

Rutledge, Matthew et al. "How Does Student Debt Affect Early-Career Retirement Saving?" Center for Retirement Research at Boston College, May 2018. https://crr.bc.edu/wp-content/uploads/2016/09/wp_2016-9_rev-1.pdf.

The results indicate that **young workers with student loans are just as likely to participate in retirement plans as those without loans**, perhaps **because they are passive savers auto-enrolled into plans**. But **college graduates with debt actually accumulate only half as much in retirement assets by age 30 than graduates with student debt.** Interestingly, **young workers with bachelor's degrees seem to respond to the mere presence of a student loan, but not the amount of debt – those with small and large loans accumulate similar retirement asset levels**. For **those that attend college and do not graduate, participation rates and retirement wealth accumulation are similar whether or not they had student debt.**

**Impact:** The US government will have to spend inordinate amounts of money to deal with inadequate household savings for retirement.

The Pew Charitable Trusts & Econsult Solutions Inc. "The Cost of Doing Nothing: Federal and State Impacts of Insufficient Retirement Savings." National Conference of State Legislatures, 17 Jul. 2023. https://www.ncsl.org/labor-and-employment/state-and-federal-impacts-of-insufficient-retirement-savings#:~:text=Unfortunately%2C%20a%20substantial%20number%20of,state%20and%20federal%20expenditures%20combined.

America's population is aging at an unprecedented rate. **As the elderly population in the United States continues to grow, it becomes increasingly important that households plan appropriately to maintain their living standards in their retirement years. Most financial advisors recommend an "income replacement" of 75-80% of the average income between ages 45 to 64, with those below this target being considered**

**economically vulnerable**. Unfortunately, **a substantial number of American households are not on track to comfortably pay for their retirement. If current trends continue, inadequate retirement savings will cost states $334.3 billion in aggregate increased spending by 2040, and $1.3 trillion in state and federal expenditures combined. Retirement savings shortfalls have significant implications for the quality of life and financial stability of millions of households across the country, as well as the government's fiscal position**. In May 2023, The Pew Charitable Trusts and Econsult Solutions published a report that analyzed how insufficient retirement savings would affect state and federal budgets. The following maps and charts illustrate the key findings of this report.

**Impact:** Lack of household savings risks financial instability should the economy fail.

Dickler, Jessica. "Savings rate for Americans is failing. 'I'm concerned,' top economist says." CNBC, 3 Oct. 2023. https://www.cnbc.com/2023/10/03/americans-are-saving-less-in-2023-im-concerned-top-economist-says.html.

Nearly half, or 49%, of adults have less savings or no savings compared with a year ago, according to a Bankrate survey. More than one-third also now have more credit card debt than cash reserves, which is the highest on record, and 57% of adults said they could not afford a $1,000 emergency expense, another Bankrate survey found. **The average American's savings are 32% behind where they should be when scaled against their salary, according to one analysis by DollarGeek based on data from the Fed's Survey of Consumer Finances**. You'll likely need more cash than you think**. Recession or not, experts say having a cash reserve is key. While most suggest keeping three to six months' worth of cash on hand to weather a job loss or other economic disruption, that's likely not enough, according to Preston Cherry, a certified financial planner and founder and president of Concurrent Financial Planning in Green Bay, Wisconsin. These days, households should strive to fund twice the usual recommendation, he**

> **advised. If there is an economic contraction, chances are it could go on for a while. Over the last half a century, recessions have lasted from two months to more than 18 months. "If emergency funds are ready, they help smooth the process,"** said Cherry, who is also a member of CNBC's Advisor Council.

**Analysis:** It's difficult to connect this microeconomic/personal finance impact to macroeconomic problems, but you can intuitively win over a judge with this argument. Make sure to lean into the card comparing people with student loans to people without because the empirical data is significant.

## PRO: Student loans damage mental health

**Argument:** Student loan forgiveness would reduce the pressure which is greatly exacerbating the mental health crisis in America.

**Warrant:** Student loans create significant pressures that exacerbate student mental health issues.

Sinha, Gaurav et al. "Comparing Naturalistic Mental Health Expressions on Student Loan Debts Using Reddit and Twitter." Taylor & Francis Online, 16 Apr. 2023. https://www.tandfonline.com/doi/full/10.1080/26408066.2023.2202668.

Increase in the cost of higher education over the past two decades has led families to rely on student loan debts to fund educational expenses. **The** present **study examined the patterns in users' naturalistic expressions about student loan debts on social media**. Additionally, the general population of social media users' patterns, sentiments, and emotions was compared with social media users who were estimated to have mental health problems based on language that reflects symptomatology associated with anxiety and depression**. Findings of this study are consistent with a growing number of studies that indicate there are significant mental health consequences associated with student loan debt** (Deckard et al., Citation2021; Jessop et al., Citation2020; Rodney & Mincey, Citation2020). **The confirmatory findings offer evidence that social media data, which are user-generated, naturalistic, and unstructured, can be employed to examine the longstanding issues of economic vulnerabilities and mental health**.

**Warrant:** Student loans increase risks of other compounding mental health issues like addiction.

Richardson, Thomas et al. “The relationship between personal unsecured debt and mental and physical health: a systematic review and meta-analysis.” *Clinical Psychology Review*, Dec. 2013. https://pubmed.ncbi.nlm.nih.gov/24121465/.

**This paper systematically reviews the relationship between personal unsecured debt and health. Psychinfo, Embase and Medline were searched and 52 papers were accepted. A hand and cited-by search produced an additional 13 references leading to 65 papers in total.** Panel surveys, nationally representative epidemiological surveys and psychological autopsy studies have examined the relationship, as have studies on specific populations such as university students, debt management clients and older adults. Most studies examined relationships with mental health and depression in particular. Studies of physical health have also shown a relationship with self-rated health and outcomes such as obesity. There is also a strong relationship with suicide completion, and relationships with drug and alcohol abuse. **The majority of studies found that more severe debt is related to worse health; however causality is hard to establish. A meta-analysis of pooled odds ratios showed a significant relationship between debt and mental disorder (OR=3.24), depression (OR=2.77), suicide completion (OR=7.9), suicide completion or attempt (OR=5.76), problem drinking (OR=2.68), drug dependence (OR=8.57), neurotic disorder (OR=3.21) and psychotic disorders (OR=4.03).** There was no significant relationship with smoking (OR=1.35, p>.05). Future longitudinal research is needed to determine causality and establish potential mechanisms and mediators of the relationship.

**Warrant:** Student loan debt increases suicidal ideation with disproportionate impacts on women.

Lockert, Melanie. “Survey: 1 in 14 High-Debt Borrowers Had Suicidal Ideation Due to Student Loans.” Student Loan Planner, 1 Nov. 2021. https://www.studentloanplanner.com/mental-health-awareness-survey/.

Key findings. **1 in 14 survey respondents had suicidal ideation at some point due to student loan debt. Debt-to-income ratio is the main factor for mental health struggles due to student loans. Respondents who owed more than two times what they earned were 2.5x more likely to experience suicidal ideation compared to borrowers who owed less than their earnings. 1 in 8 single women who owe more than twice their income had suicidal ideation due to student loans. For single women earning less than $50,000, suicidal ideation rose to 1 in 6 respondents. Enrollment in generous forgiveness programs such as PSLF did not seem to reduce the risk of suicidal ideation due to debt. 1 in 8 unemployed borrowers and those earning $50,000 or less experienced suicidal ideation due to student loans. Six-figure earners with student debt balances greater than 2x their earnings experienced a spike in suicidal ideation from 4% to 8%.** What we found is that putting payments on hold or eliminating interest for a period of time was not the magic solution to alleviate student loan stress. Though respondents' stress around student loan debt went down this past year due to the freeze, the mental health toll is still significant.

**Impact:** Suicide is one of the most significant causes of death for US youth.

National Institute of Mental Health. "Suicide." May 2023. https://www.nimh.nih.gov/health/statistics/suicide.

According to the Centers for Disease Control and Prevention (CDC) WISQARS Leading Causes of Death Reports , in 2020: **Suicide was the twelfth leading cause of death overall in the United States, claiming the lives of over 45,900 people. Suicide was the second leading cause of death among individuals between the ages of 10-14 and 25-34 , the third leading cause of death among individuals between the ages of 15-24, and the fourth leading cause of death among individuals between the ages of 35 and 44. There were nearly two times as many suicides (45,979) in the United States as there were homicides (**24,576). Table 1 shows the twelve leading causes of death in the United States, and the number of deaths attributed to each cause. Data are shown for all ages and select age groups where suicide was one of the leading twelve causes of death in 2020. The data are based on death certificate information compiled by the CDC.

**Impact:** Experts believe student loan forgiveness will decrease mental health concerns which contribute to the public health crisis.

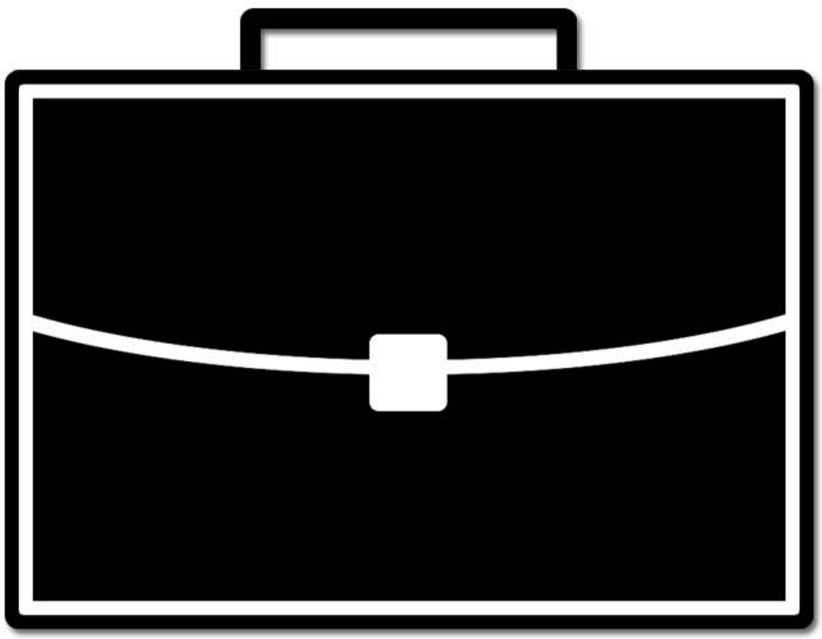
Jagoo, Krystal. “How Biden’s Student Debt Forgiveness Plan May Impact Mental Health.” VeryWell Mind, 15 Sept. 2022. https://www.verywellmind.com/how-bidens-student-debt-forgiveness-plan-may-impact-mental-health-6503917.

**Psychiatrist with Mindpath Health, Zishan Khan, MD**, says, "**Student debt forgiveness will absolutely have a positive impact on the mental health of millions of people who have been dealing with crushing deb**t." Khan explains, "**Lessening the debt burden will ultimately lead to happier people that suffer less from depression and anxiety. However, this is not simply because people will end up with more money in their bank account and therefore will be more content in life.** It is more than just that." For **many people**, Khan notes that they may **have had to choose a career based primarily on the salary and how much they will make in order to be able to pay their bills.** "**With student loan forgiveness, many can choose to pursue careers they truly are interested in**," he says. Given how people can feel shame when it comes to debt, Khan highlights, "President Biden’s student debt forgiveness plan can help these people feel less disappointed with how their life has turned out." Khan explains, "Most people that pursue a higher level of education don’t envision their future consisting of constant worry about how they will pay rent, afford groceries, keep the electricity on, and still have enough saved to make their monthly payment towards their student loans."

**Analysis**: There are very clear mental health problems associated with the possession of loans, and the evidence is very clear. Use the warrants effectively insofar as some are meta-analyses and therefore have a strong authority in the round.

# Champion Briefs

## Nov/Dec 2023
## Public Forum Brief



# Pro Responses to Con Arguments

## A/2: Debt forgiveness is expensive

**Turn:** Debt cancellation is good for the economy

**Warrant:** Student debt reduces spending

Staff. "How Cancelling Student Debt Can Boost the Economy." Roosevelt Institute, 27 July 2023, https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf

**Student loans are one of the highest sources of debt for Americans—second only to mortgages. Across the country, more than 40 million people collectively carry over $1.5 trillion in student loan debt. On average, student loan borrowers aged 18–39 spend more than 20 percent of their monthly income on student loan payments, or $579 out of a monthly income of $2,689. These high monthly payments lead to devastating financial precarity. Notably, 65 percent of student loan borrowers report having less than $1,000 in their bank account, struggling to afford short-term expenses, and being unable to save long-term.** Black students, in particular, bear the brunt of this debt burden. They borrow more often and in larger amounts to attend school, and then graduate into a discriminatory job market that makes it more difficult to pay down those debts. Ninety percent of Black students and 72 percent of Latinx students take out loans for college, but just 66 percent of white students do. One study found that 20 years after starting college, the median white borrower's debt has been reduced by 94 percent, while the median Black borrower still owes 95 percent of their original balance.

**Warrant:** Debt cancellation will be good for the economy

Staff. "How Cancelling Student Debt Can Boost the Economy." Roosevelt Institute, 27 July 2023, https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf

**Freeing up funds through debt cancellation would allow millions of borrowers to spend into the broader economy. Short-term consumption levels could be boosted by as much as 4 percent, increasing real GDP by between $86 billion and $108 billion over 10 years. New economic activity generated by debt cancellation would reduce the unemployment rate between 0.22 and 0.36 percentage points over the next decade.** Debt cancellation could also boost entrepreneurship and small business creation, a driver of economic growth. The number of young entrepreneurs is in steep decline, and the share of start-ups founded by millenials has been cut in half over the last 20 years. Of that age group, 50 percent reported that student loans affected their ability to start a business. In total, debt burdens resulted in an estimated two million fewer businesses being formed between 2006 and 2015.

**Warrant:** Forgiving debt will allow Americans to make different life choices

Arnold, Chris. "Forgiving Student Debt Would Boost Economy, Economists Say." NPR, November 2019. https://www.npr.org/2019/11/25/782070151/forgiving-student-debt-would-boost-economy

**The reason debt forgiveness could have a big impact on the overall economy is that a generation of Americans is making major life decisions differently because of student loans. "Children, it's not about if you want them," says Laura Greenwood in Montpelier, Vt. "It's about can you afford them?"** Greenwood works for the state education agency. She's 30 years old and makes $63,000 a year. "I make probably a better salary than a lot of my peers." Laura Greenwood in Montpelier, Vt., says she can't afford to start a family because of her student loan debt. But after paying for college and grad school, Greenwood owes $96,000 in student loans. And she says that's got her and her partner feeling frozen. "Yeah. It's always, we're interested in having kids, but just cost of living and all our other bills and then the student loans, it's just like the final straw." She says it makes starting a family feel impossible.

**Warrant:** Forgiving debt will add to the GDP

Arnold, Chris. “Forgiving Student Debt Would Boost Economy, Economists Say.” NPR, November 2019. https://www.npr.org/2019/11/25/782070151/forgiving-student-debt-would-boost-economy

The effects would go beyond the housing market. William Foster is a vice president with Moody's, which just did a report on student debt forgiveness. "There've been some estimates that U.S. real GDP could be boosted on average by $86 billion to $108 billion per year," which is "quite a bit," he says. "That's if you had total loan forgiveness." Foster says it wouldn't have to be total forgiveness to see significant results. And he says it could also help address rising income inequality.

**Analysis:** This is a good response because it shows that in the long run, student debt relief is a smart financial move. Force your opponent to justify a myopic short-termism instead of looking at the whole picture.

## A/2: Debt forgiveness should be targeted

**Delink:** Student debt relief is not a bailout for the rich.

**Warrant:** Student loan debt impacts people's life choices.

Tyson, Alec et al. "What the data says about Americans' views of climate change." Pew Research Center, 9 Aug. 2023, https://www.pewresearch.org/short-reads/2023/08/09/what-the-data-says-about-americans-views-of-climate-change/.

**While the median income of student borrowers does exceed that of non-borrowers, it's not the full story. It stands to reason that people who took out loans to earn a degree would make more money than those who never earned a degree at all. And the Americans who hold the largest amounts of debt tend to have accrued it from graduate professional programs, like medical and law schools, that lead to high-paying jobs. The average amount of undergraduate debt, however, is a little less than $30,000, and a drop in the balance by $10,000 or $20,000 could be transformative for the middle class.** Research shows that student loan debt is one of the biggest barriers to getting married and owning a home. When asked by TIME to clarify the studies backing up McConnell's claim that the highest earners would gain the most from student loan forgiveness, a spokesperson cited a University of Chicago study, saying it "found that if the federal government forgave $50,000 per borrower, the bottom 20% of earners would get 8.5% of the benefit. The top 20% of earners would get 22% of total debt wiped out."

**Warrant:** Student loan forgiveness will help the less wealthy

Kim, Whizy. “Canceling Student Debt Doesn’t Help Rich People. Is That Why They Hate It So Much?.” Refinery29, July 2021. https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people

But a recent paper published by the Roosevelt Institute shows that Biden's "worry" is, in fact, unfounded: **Canceling $50,000 of student debt wouldn't disproportionately help rich college grads. Canceling $50K would help more low-income people, to a larger degree, than canceling just $10K would.** This might seem as obvious as the pope's religious denomination, but as long as the president and other lawmakers claim that student debt cancelation would only funnel more money to those who already have it, it's worth debunking. The paper notes that this myth operates on the idea that borrowers with higher educational attainment tend to have more debt in sheer dollar amounts, which they'll be able to pay off with the higher salaries they earn. But **the myth can only appear true through a mixture of errors and omissions, like considering only income instead of net worth, including private debt (the cancelation plan only targets federal student loans), and by failing to separate how much student debt people have broken down by both race and net worth.**

**Warrant:** Student debt relief helps marginalized groups

Kim, Whizy. “Canceling Student Debt Doesn’t Help Rich People. Is That Why They Hate It So Much?.” Refinery29, July 2021. https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people

For example, previous studies have looked at total student debt among borrowers rather than comparing the share of debt held by different demographic groups compared to their proportion of the U.S. population. The paper uses the example of a statistic that says white borrowers hold almost 70% of the student loan debt eligible for cancelation. This only sounds astounding when you ignore what proportion white people make up of the population, and the fact that far fewer white Americans leave school with debt in the first place**: 17% of all white Americans have student debt, while 27% of all Black Americans do. It ignores that the average student debt per person for white adults is about $4,962, while for Black adults the per person amount is $7,407.**

**Analysis:** Use this response to show the judge that the benefits of student loan forgiveness flow to those who need it. It is worth helping a few wealthy people if most of the beneficiaries are genuinely needy.

## A/2: Debt forgiveness helps the rich

**Delink:** Universal programs are better than targeted programs

**Warrant:** Targeted relief would be unpopular.

Kidd, Stephen. “Social Protection : universal provision is more effective than poverty targeting.” ID4D, July 2021. https://ideas4development.org/en/social-protection-universal-provision-is-more-effective-than-poverty-targeting/

**Poverty targeting is often very unpopular and creates social conflict in communities, with the excluded – many of whom live in deep poverty – becoming jealous of those that are lucky enough to be included (many of whom are richer).** The proxy means test targeting mechanism – which is increasingly common in developing countries – is particularly arbitrary in its selection, exacerbating the sense of unfairness within communities (see Kidd and Wylde 2011 for further information). Indeed, there are examples of the proxy means test causing riots and attacks on government buildings. In contrast, universal programmes – which are often regarded as entitlements – are very popular and strongly supported within communities, since they are offered on an equal basis to everyone.

**Warrant:** Targeting creates administrative bloat

Kidd, Stephen. “Social Protection : universal provision is more effective than poverty targeting.” ID4D, July 2021. https://ideas4development.org/en/social-protection-universal-provision-is-more-effective-than-poverty-targeting/

**Schemes targeting the poor are complex and, therefore, administratively expensive. In contrast, the simple criteria of universal programmes makes them significantly**

**cheaper to implement. Furthermore, if sufficient administrative resources are not invested in poverty targeting, corruption is likely to be the result. Many poverty targeted schemes in Bangladesh and India, for example, are blighted by corruption and the exploitation of schemes for patronage purposes by local elites.**

**Warrant:** Americans support Biden's debt relief plan

Galston, Wilson. "Do Americans Support President Biden's Student Loan Plan." Brookings, September 2022, https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/

A majority of voters believe that there were compelling reasons for the president to act. Two thirds say that student loan debt is a serious problem, and more than six in 10 say that it is preventing young people from buying homes and having children. Sixty-three percent see student loan debt relief as lightening financial burdens, especially on low-income households. **Every survey has shown majority but not overwhelming support for President Biden's plan to reduce the burden of student loan debt.**

**Warrant:** Support is especially high among minority groups

Galston, Wilson. "Do Americans Support President Biden's Student Loan Plan." Brookings, September 2022, https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/

**The two most recent polls, Quinnipiac and The Economist/YouGov, put support among registered voters at 51 percent and 52 percent, respectively. Support among Hispanic and Black voters was substantially stronger, as was support among voters under age 50.** Among swing voters, moderate and suburban voters gave the plan majority support

> while Independents were about evenly divided. Women are significantly more favorable to the plan than men, and the gender gap is especially large among white Americans.

**Analysis:** This is a good response because it shows that debt forgiveness is broadly popular and that Americans will support more than just a small, targeted program.

## A/2: Debt forgiveness doesn't solve the problem

**Delink:** Debt forgiveness will not increase costs

**Warrant:** College costs are increasing for other reasons

Dickler, Jessica. "With or without federal student loan forgiveness, colleges must tackle affordability crisis, experts say." CNBC, July 2021. https://www.cnbc.com/2022/08/09/with-or-without-student-loan-forgiveness-college-still-costs-too-much.html

A college education is now the second-largest expense an individual is likely to make in a lifetime — right after purchasing a home. But it wasn't always that way. **Deep cuts in state funding for higher education have contributed to significant tuition increases and pushed more of the costs of college onto students, according to an analysis by the Center on Budget and Policy Priorities, a nonpartisan research group based in Washington, D.C.** Schools are under continued pressure cut costs, admit more students who need less aid or raise tuition. This year, some colleges are hiking tuition as much as 5%, citing inflation and other concerns.

**Warrant:** Costs are a function of expenses

Dickler, Jessica. "With or without federal student loan forgiveness, colleges must tackle affordability crisis, experts say." CNBC, July 2021. https://www.cnbc.com/2022/08/09/with-or-without-student-loan-forgiveness-college-still-costs-too-much.html

**"We're not getting more money from the state, and the market wants us to charge less," Wingard said, but "every single cost is going through the roof," he noted,**

**referring to the rising expense of faculty, buildings and maintenance, books and materials, technology and cyber security.** “It’s impossible to do that.” “We need to make sure education is more affordable for students,” he added. “If the government can’t help make education more affordable, then students are going to stop considering higher education as a viable choice, as a valuable choice.

**Warrant:** Loan forgiveness will not generally increase prices.

Ngo, Madeline. “Will student loan forgiveness make inflation worse?.” Vox, August 2022. https://www.vox.com/2022/8/25/23320825/student-loan-debt-forgiveness-inflation

**Michael Pugliese, an economist at Wells Fargo, said he expected the policy to likely only have a marginal effect on inflation since borrowers aren’t actually gaining cash, but rather seeing an increase in their wealth. People might be inclined to spend more if they received a check in the mail or if their annual salary increased, he said, but it’s unclear how dramatically people would increase their spending if they had less student loan debt to pay off.** Economists at Goldman Sachs and Moody’s Analytics have also predicted that the policy will likely have a minor impact on inflation in the near term. “We would expect the effects on inflation to be similarly small,” Goldman Sachs economists wrote in a note on Thursday. “However, the end of the payment pause and the resumption of monthly payments looks likely to more than fully offset the small boost to consumption from the debt relief program.”

**Analysis:** Use this response to demonstrate that any price effects of student loan forgiveness are modest and swamped by the nonunique pressures on college prices that flow from other factors.

## A/2: Debt forgiveness is unfair to taxpayers

**Turn:** Debt forgiveness is not unfair to taxpayers

**Warrant:** A diverse array of people hold student loans, not just the young.

Nelson, Libby. "The "fairness" debate over student loan forgiveness, explained." Vox, 22 Mar. 2023, https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation

Biden's plan is intended to fit the reality of the student loan program as it exists today. **The lines between those who will benefit from debt forgiveness and those who are left on the sidelines are blurrier than blue-collar versus white-collar, working-class versus middle-class, old versus young. One in five people with outstanding student loans is over age 50, some of whom likely borrowed on their own behalf (including those who pursued graduate degrees) and some of whom took out loans to pay for their children's education.** Many student debtors are no longer young adults starting at a four-year college; they're older and more likely to attend a community college or for-profit program. An analysis by Mark Huelsman, director of policy and advocacy at the Hope Center for College, Community and Justice at Temple University, found that almost 40 percent of those who entered college in the 2011-12 school year and took on student debt never earned a credential.

**Warrant:** Other government programs are not held to a fairness standard

Nelson, Libby. "The "fairness" debate over student loan forgiveness, explained." Vox, 22 Mar. 2023, https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation

Forgiveness will be especially helpful to those in default — the terrifying Upside Down of the financial aid system, where, after at least 9 months of missed payments, the Education Department can garnish wages and even Social Security checks in order to get its money back. The typical defaulter did not graduate and owes just under $10,000. There are other versions of the fairness argument circulating. One holds that forgiveness is unfair to those who borrowed but paid off their debts — an argument that could be raised against any social program on behalf of those who were born too early to benefit from it. **The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits. Forgiveness could be life-changing for millions of people, especially those struggling with default, the argument goes, while hurting no one.**

**Warrant:** Colleges trick students into taking loans.

Benz, Charles. “The unfair criticism of the unfair student loan forgiveness.” Tallahassee Democrat, 22 Mar. 2022, https://www.tallahassee.com/story/opinion/2022/09/05/unfair-criticism-unfair-student-loan-forgiveness-opinion/7969317001/

**Colleges recruit and encourage attendance and help to secure loans, some using pie in the sky hard-sell tactics. Few 18-year-olds have solid experience in making logical and reality based decisions. Consequently 40% learn a lesson that can devastate their credit score and take a chunk of their small paycheck for years.** What are not being talked about are those with debt but no degree.  Cancelling their debt could improve their credit score and free up some of their paycheck to advance their potential. Maybe such a person wants to start a lawn business or become a mechanic or hair stylist, but can’t afford to get training or secure a loan to buy equipment because of his or her credit score. That’s 40% of those being forgiven. They make up the largest share of the 20 million who have less than $20,000 in debt.

**Warrant:** There is no reason to be punitive towards people who could not complete college.

Benz, Charles. "The unfair criticism of the unfair student loan forgiveness." Tallahassee Democrat, 22 Mar. 2022, https://www.tallahassee.com/story/opinion/2022/09/05/unfair-criticism-unfair-student-loan-forgiveness-opinion/7969317001/

In fact, a substantial number of those having debts forgiven dropped out after a year or two. **Drop out statistics are staggering. Fifty percent of community college students drop out and 89% of first generation college students from poor families drop out. These are the ones that will benefit most from this proposal. Yes, decisions have consequences but not all irresponsibility deserves punitive punishment.** The pressure and draw of college for high school graduates is strong. Parental and peer pressure, fantasy of status and wealth and unwarranted belief that the rigors of college are no harder than high school.

**Analysis:** This response pushed the judge to reconsider what makes public policy "fair." Every public policy has a group of intended beneficiaries. Why are college students, graduates, and dropouts less deserving than any other group?

## A/2: Debt forgiveness trades off with other social welfare programs.

**Warrant:** Biden's budget proposal expands Medicare funding in the long term, proves that these two goals can coexist.

Briefing Room. "FACT SHEET: The President's Budget: Extending Medicare Solvency by 25 Years or More, Strengthening Medicare, and Lowering Health Care Costs", The White House, 7 Mar 2023, https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/07/fact-sheet-the-presidents-budget-extending-medicare-solvency-by-25-years-or-more-strengthening-medicare-and-lowering-health-care-costs

**The proposals in the President's Budget would extend the solvency of Medicare's Hospital Insurance (HI) Trust Fund by at least 25 years, the Medicare Office of the Chief Actuary estimates. While the most recent Medicare Trustees Report projected that the HI Trust Fund would be insolvent in 2028, the President's Budget would extend solvency at least into the 2050s.** The Budget extends the life of Medicare by: **Modestly increasing the Medicare tax rate on income above $400,000. The Budget proposes to increase the Medicare tax rate on earned and unearned income above $400,000 from 3.8 percent to 5 percent**. Since Medicare was passed, income and wealth inequality in the United States have increased dramatically. By asking those with the highest incomes to contribute

**Warrant:** Funding for food stamps has only increased in the past year (due to a policy passed by Republicans).

Bustillo, Ximena. “Congress created changes to food assistance. Here's what they mean”, NPR, 2 Jun 2023, https://www.npr.org/2023/06/02/1179633624/snap-food-assistance-work-requirements-congress-debt-ceiling.

Republicans had the goal of reducing the number of recipients and cutting spending, but a Congressional Budget Office analysis released earlier this week found the measure may do the opposite. The CBO analysis found **the changes would slightly increase the number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period.** That's because even with expanded work requirements for people ages 50-54, veterans and those experiencing homelessness are still exempt.

**Warrant:** Student loan forgiveness would be funded through the deficit, not budget cuts.

Gurudatt, Arnav, et. al. “Inconsistent Tax Treatment of Student Loan Debt Forgiveness Creates Confusion”, Tax Foundation, 10 Aug 2023, https://taxfoundation.org/blog/student-loan-debt-forgiveness/#

The pandemic relief has been phased out over the past two years as the economy recovered, inflation rose, and the public health crisis ended, but the student loan payment pause was continually extended until the president’s student loan forgiveness plan was struck down in June. **That plan would have forgiven $10,000 to $20,000 of debt for people earning less than $125,000 ($250,000 for married couples), which would have increased the deficit by more than $330 billion.**

**Warrant:** Student loan forgiveness boosts the economy and generates capital flow.

Roosevelt Institute. “Unburdened: How Canceling Student Debt Can Boost Growth, Equity, and Innovation”, The Roosevelt Institute, 30 Aug 2022, https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf.

**Canceling student debt provides an immediate financial boost: increasing borrowers' freedom and mobility; allowing them to change jobs, pay down debts, or move; and increasing average yearly pay by $3,000 over a 10-year period.** Canceling student loan debt could help with economic opportunities by making other wealth-creating investments, such as homeownership, more feasible. **Student debt has led to a 20 percent decline in homeownership among young adults. Cancellation could help reverse this trend. Projections show that canceling $50,000 in student loan debt could increase Black household wealth by up to 40 percent. Black young adults hold 10.4 percent less wealth than white young adults as a result of student debt, fueling the racial wealth gap.**

**Analysis:** The biggest flaw in this argument is that the neg cannot prove where the funding will come from. Based on recent increases in funding for welfare programs, it is unlikely those programs will experience cuts. Also, the argument can be turned with the logic that student loan forgiveness helps the economy.

## A/2: Debt forgiveness tanks Biden's political capital.

**Answer:** Biden administration passed American Rescue Plan, proves he is able to also focus on other priorities.

Jones, Dustin. "Despite infighting, it's been a surprisingly productive 2 years for Democrats", NPR, 1 Jan 2023, https://www.npr.org/2023/01/01/1143149435/despite-infighting-its-been-a-surprisingly-productive-2-years-for-democrats

A sign advertises free COVID-19 vaccines in Washington, D.C., in May 2021. **The Biden administration worked with the Centers for Disease Control and Prevention to orchestrate a nationwide vaccine rollout in early 2021. One of Biden's first acts as president was to try to get the coronavirus pandemic under control by passing the $1.9 trillion American Rescue Plan. The White House sent Americans in the low-to-medium income range a $1,400 payment to help fund basic necessities like rent and groceries. Biden also extended a $300 a week federal unemployment benefit for some 9.7 million people out of work at the time, temporarily expanded the child tax credit program, allotted $7.25 billion for small business loans and $128 billion in grants for state educational agencies.** Biden teamed up with the Centers for Disease Control and Prevention to administer and track COVID-19 vaccinations across the country. The bill passed the Senate 50-49 and the House 220 to 211, both along party lines, before being signed into law by the president on March 11. While the initiatives were broadly popular with voters, critics warned the rescue plan could actually make the country's economic outlook worse.

**Warrant:** Biden administration passed $1 trillion infrastructure bill, proves he is able to also focus on other priorities.

Jones, Dustin. "Despite infighting, it's been a surprisingly productive 2 years for Democrats", NPR, 1 Jan 2023, https://www.npr.org/2023/01/01/1143149435/despite-infighting-its-been-a-surprisingly-productive-2-years-for-democrats

**A bipartisan infrastructure bill.** Just hours before President Biden visited Pittsburgh, Pa., to discuss his Infrastructure Bill, a bridge in the city's east end collapsed on Jan. 28, 2022. **Biden signed a $1 trillion infrastructure bill into law in November 2021 that will repair the nation's roads, bridges and railways, bring high-speed internet to rural communities and more. The Bipartisan Infrastructure Law includes: $284 billion for transportation needs, which includes repairing bridges and roadways, public transit and airports, electric vehicles and low emission public transportation; $65 billion for broadband internet; $73 billion for power infrastructure; and $55 billion for clean drinking water.** POLITICS. **Biden signs the $1 trillion bipartisan infrastructure bill into law. The legislation was a major bipartisan achievement, made possible by 32 Republicans — 13 in the House and 19 in the Senate** — who crossed the aisle to ensure it passed. Former President Donald Trump had pressed conservatives to vote against the bill, but key GOP leaders Lindsey Graham of South Carolina and Minority Leader Mitch McConnell of Kentucky supported the legislation.

**Warrant:** Biden-McCarthy debt ceiling agreement actually increased social welfare accessibility, even though that was a "concession" to Republicans.

Bustillo, Ximena. "Congress created changes to food assistance. Here's what they mean", NPR, 2 Jun 2023, https://www.npr.org/2023/06/02/1179633624/snap-food-assistance-work-requirements-congress-debt-ceiling.

Republicans had the goal of reducing the number of recipients and cutting spending, but a Congressional Budget Office analysis released earlier this week found the measure may do the opposite. The CBO analysis found **the changes would slightly increase the**

> **number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period.** That's because even with expanded work requirements for people ages 50-54, veterans and those experiencing homelessness are still exempt.

**Analysis:** The success of the Biden administration in the status quo proves that his political capital is not finite, and he can pass multiple bills at once and advocate for many issues at the same time. Also, the “concessions” might not be as bad as they seem.

## A/2: Debt forgiveness causes tuition inflation.

**Answer:** Colleges aren't greedy for-profit institutions; they recognize the benefits of subsidizing costs for low-income students.

Edelman, Jon. "Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research", Diverse Issues in Higher Education, 2 Feb 2023, https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon.

The reason, according to Kofoed, is that **colleges may not be as greedy as William J. Bennett had thought.** "**Colleges and universities are not profit-maximizing firms**," he said. "**They have other objective functions, and so they don't behave like a for-profit firm would.**" **Institutions of higher education are moving toward no-loan programs,** Kofoed argued, in which **higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging. "I would be skeptical of thinking that they would instantly throw out that model of student cross-subsidization and decide to just raise tuition to capture the student loans and place a higher debt on the students that they are currently committed to reducing,"** he said. **Research has found that even when students are able to borrow large amounts, it doesn't lead to increases in tuition.**

**Warrant:** Empirically, student loan forgiveness does not increase tuition.

Edelman, Jon. "Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research", Diverse Issues in Higher Education, 2 Feb 2023, https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon.

Dr. Robert Kelchen, professor and head of the department of Educational Leadership and Policy Studies at the University of Tennessee, Knoxville, did a study of graduate students, who have been able to borrow up to the full cost of attendance since the mid-2000s. “I was going into my research expecting to find that [the Bennett hypothesis] is true,” he said. “And I was surprised. **If it’s happening, it should be happening in law schools and business schools. [But,] I did not find a big increase in tuition.” Kelchen thought that perhaps schools didn’t want to be perceived as greedy, or that no school wanted to move first. Another factor was that students who can borrow more often still prefer to borrow as little possible.** There are several alternative explanations for why college costs have risen so much, according to Kelchen and Kofoed. Over the past several decades, demand has increased faster than the number of available seats. In the case of public universities, state funding declined in the Great Recession and hasn’t recovered. Schools are also dependent on large workforces that can’t be automated and have only gotten more expensive. And students have come to need and expect more non-academic services over the past few decades, particularly for mental health. **Kelchen is doubtful that the Biden administration’s changes will have much of a Bennett effect. He points out that increases in tuition have slowed in recent years**. **“A lot of colleges are concerned that if they raise prices, they won’t get students,”** he said. **“[With] affordability as a concern, I think we’ve gotten to a point where the majority of colleges out there will struggle to increase tuition in any meaningful way.”**

**Warrant:** Student loan forgiveness could decrease inflation.

Stiglitz, Joseph E. “Actually, Canceling Student Debt Will Cut Inflation”, The Atlantic, 25 Aug 2022, https://www.theatlantic.com/ideas/archive/2022/08/biden-student-debt-cancelation-stiglitz/671228/.

> **Whatever your view of student-debt cancellation, the inflation argument is a red herring and should not influence policy.** Taking that logic to the extreme, canceling food stamps would do far more to reduce inflation—but that would be cruel and inhumane, and fortunately, no one has suggested doing so. **A closer look at the student-debt-cancellation program suggests that the new student-loan policy may even reduce inflation; at most, its inflationary impact will be minuscule, and the long-term benefits to the economy are likely to be significant.** The contention that debt cancellation will be inflationary contains a series of flaws. T**o start with, the value of the reduced debt repayments is so small that the cancellation's impact will be negligible.** Although the broad estimates of the total amount of canceled debt can be big—some reach hundreds of billions of dollars—these figures derive only from budgeting practices for how credit programs like student loans are recorded. The government and budget analysts calculate a number that is known as "the present discounted value of foregone payments." This corresponds to a current estimated value not of the lost payments this year, but of those in all future years. **In other words, this calculation treats all of the losses from debt cancellation as though they occurred right now in a single year (adjusted for inflation)—a far cry from the reality. Such an accounting procedure can be an appropriate practice for thinking about the government's long-run balance sheet, but it is a very poor guide for understanding what actually happens to people's spending.**

**Analysis:** There are lots of ways to mitigate this argument: there are research studies against it, it misunderstands the motivations of colleges, and it ignores the fact that student loan forgiveness would not have a detrimental impact on the economy. These warrants/impacts should be enough to make the judge seriously doubt the validity of such an argument.

## A/2: Debt forgiveness encourages more borrowing.

**Answer:** Student loans aren't inherently bad, allows students to focus more on school and prioritize academics.

Nadworny, Elissa. "The Benefits Of Taking Out Loans For College", NPR, 14 Nov 2018, https://www.npr.org/2018/11/14/667699220/the-benefits-of-taking-out-loans-for-college.

And what happened to those s**tudents who borrowed**? "They **attempted more courses, they earned more credit, and they had higher grade point averages**," says Turner. **The research also found a sizable increase in the likelihood of those students transferring to a four-year public school for a bachelor's degree.** So why is this all happening? "The most likely explanation," explains Turner "**is that this loan allowed students to work less**." **Many students attending community college are working while in school, so the loans may have freed up time in their schedules to take more classes, to study or to finish their schoolwork. Even though tuition on these campuses is low – or for some low-income students, free — there are other expenses.** "The cost of college creates a stress," says Oded Gurantz, an assistant professor at the University of Missouri who studies higher education. **"So if the money frees [students] up so they're not focusing on where they're going to get their next meal, I actually think it makes a lot of sense that it could help their academic achievement."**

**Warrant:** Financial assistance and grants from colleges have been on an upward trend over the last 10 years.

IES NCES. "Sources of Financial Aid", National Center for Education Statistics, Aug 2023, https://nces.ed.gov/programs/coe/indicator/cuc/financial-aid-sources.

**At 4-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 85 to 87 percent between 2010–11 and 2020–21.** However, changes differed by control of institution (i.e., public, private nonprofit, and private for-profit). Between 2010–11 and 2020–21, the percentage of students awarded aid at 4-year institutions. **At 2-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 77 to 82 percent between 2010–11 and 2020–21.** Over this period, the percentage of students awarded aid at 2-year institutions

**Warrant:** Incentivizing government loans is much better than incentivizing private loans; plus, incentivizing students to go to college is positive.

Delisle, Jason D. "Why Student Loans Are Actually a Good Thing", American Enterprise Institute, 26 Aug 2020, https://www.aei.org/op-eds/why-student-loans-are-actually-a-good-thing/

Progressives and conservatives aren't inclined to find common ground on much these days, but there is one topic where a consensus is emerging – and that might actually lead to bad policy. Both sides believe the country has a student debt problem, though disagree on a solution. Many progressives favor debt forgiveness or free college; many conservatives want the government to stop making loans that they say cause price and degree inflation, or they want the government to impose strict standards on which degrees qualify for loans. **But both sides imply that student debt – and the federal loan program in particular – are fundamentally flawed.** The evidence on educational loans, however, is telling us something different – **that the use of student loans helps students earn a degree and pay down their debt – and that some students would benefit from taking out more loans. These studies tell us that the original rationale for government-issued student loans is sound. That is, the private market is unlikely to provide students with loans at affordable terms for a number of reasons** (i.e. they can't be collateralized, information about creditworthiness is hard to obtain), **yet the education that the loans make possible tends to be a good financial bet for students.** Put another way, **students are usually better off with loans than without them, everything else being equal.** Private lenders won't take that risk, however, at least not on a large scale at affordable terms for students. **Absent a government program, then, a lot of good educational investments won't ever be made.**

**Analysis:** The narrative against this argument should be that students are always going to have to take out loans, but student loan forgiveness sets a positive precedent that allows students to borrow responsibly. It also encourages students to pursue higher education degrees.

## A/2: Debt forgiveness increases taxes.

**Answer:** No federal tax bill to fund student loan forgiveness.

Dore, Kate. "Here's how Biden's $39 billion in student loan forgiveness may impact your taxes", CNBC, 18 Jul 2023, https://www.cnbc.com/2023/07/18/heres-how-bidens-student-loan-forgiveness-may-impact-your-taxes.html

**If you're expecting debt cancellation from the latest round of student loan forgiveness, there's good news: It won't trigger a federal tax bill**. **The Biden administration on Friday announced a plan to wipe away $39 billion in student debt for 804,000 borrowers in the coming weeks.** The forgiveness comes from fixes to so-called income-driven repayment plans, which cancel remaining student debt after 20 or 25 years of payments, depending on when they borrowed, and their loan and plan type. The fix moved eligible borrowers closer to 20 or 25 years of payments. **Student loan forgiveness is federally tax-free through 2025 because of a provision from the American Rescue Plan of 2021, Biden's $1.9 trillion Covid-19 stimulus package. "This includes amounts forgiven under income-driven repayment plans, which previously posed the challenge of being hit with a tax bomb at the end of the payment term," said Ethan Miller, a certified financial planner and founder of Planning for Progress in the Washington, D.C., area who specializes in student loans.** However, the American Rescue Plan provision only covers federal taxes, and you could still see a state tax bill for your forgiven balance, depending on where you live. "It's important to understand what your taxation might be and when you would need to pay it," Miller said. **While the Tax Foundation estimated that seven states could tax student loan forgiveness in August 2022, it's still possible to see legislative changes. "No one wants to be the state that's taxing loan forgiveness,"** Miller added.

**Warrant:** Student loan forgiveness is not taxable in most states and some states have promised not to tax loan forgiveness as income.

Washington, Kemberly and Doug Whiteman. "If The Supreme Court Lets Biden Forgive Your Student Loan Debt, Will You Owe Taxes?", Forbes, 9 Jun 2023, https://www.forbes.com/advisor/taxes/student-loan-forgiveness-taxes

**Student loan forgiveness is not taxable in most states because they follow federal tax rules. Borrowers also won't need to worry if they live in one of the nine states that don't have an income tax: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming.** Unless those states make changes soon, borrowers may expect a state income tax bill. Finally, **while some states, such as Pennsylvania, typically tax debt forgiveness, borrowers won't need to pay tax on their student loan relief. State officials have announced that student loan debt canceled through Biden's program would be nontaxable.**

**Warrant:** The economic benefits of student loan forgiveness for low-income families will far outweigh the costs of increased taxes.

Briefing Room. "FACT SHEET: The Biden-Harris Administration Launches the SAVE Plan, the Most Affordable Student Loan Repayment Plan Ever to Lower Monthly Payments for Millions of Borrowers", The White House, 22 Aug 2023, https://www.whitehouse.gov/briefing-room/statements-releases/2023/08/22/fact-sheet-the-biden-harris-administration-launches-the-save-plan-the-most-affordable-student-loan-repayment-plan-ever-to-lower-monthly-payments-for-millions-of-borrowers

**The benefits of the SAVE plan will be particularly critical for low- and middle-income borrowers, community college students, and borrowers who work in public service.** Overall, the Department of Education estimates that the plan will have the following effects for future cohorts of borrowers compared to the IDR plan, called the Revised Pay-As-You-Earn (REPAYE) plan: **Borrowers will see their total payments per dollar borrowed fall by 40%.** Borrowers with the lowest projected lifetime earnings will see payments per dollar borrowed fall by 83%, while those in the top would only see a 5% reduction. **A typical graduate of a four-year public university will save nearly $2,000 a year. A first-year teacher with a bachelor's degree will see a two-third reduction in total payments, saving more than $17,000,** while pursuing Public Service Loan Forgiveness.

**Analysis:** Again, the pro is going to have a hard time proving that taxes are the way student loan forgiveness would be funded. Even so, the federal government has promised not to enact a tax bill and only seven states might increase taxes. Therefore, the impact of this argument is extremely low and is easily outweighed by the economic benefits created by loan forgiveness, especially for low-income families.

## A/2: Debt forgiveness reduces the value of college degrees.

**Answer:** College degrees are still worth it

**Warrant:** College is a positive return on investment.

Blake, Jessica. "Is College Worth It? Recent Analysis Says Yes", Inside Higher Ed, June 2023, https://www.insidehighered.com/news/business/financial-health/2023/06/22/college-worth-it-recent-analysis-says-yes

**According to a report released by the Institution for Higher Education Policy Wednesday, a college degree still has value for about 93 percent of students. The analysis shows that for the majority of students, especially those attending a public institution, having a college degree leaves them better off financially in comparison to peers who did not pursue postsecondary education.** About 2,400 institutions, enrolling about 18 million undergraduates nationwide, reach a minimum level of value return that makes the cost of college worth the investment, the report says. However, another 500 institutions, enrolling nearly 1.5 million undergraduate students, do not meet the same standard.

**Warrant:** Students outperform their high school educated peers

Blake, Jessica. "Is College Worth It? Recent Analysis Says Yes", Inside Higher Ed, June 2023, https://www.insidehighered.com/news/business/financial-health/2023/06/22/college-worth-it-recent-analysis-says-yes

"Students go to college to increase their earning potential, so it's important to continually think about how we measure the value higher education is providing to students and how to improve it," Michelle Dimino, deputy director of education at

Third Way, a public policy think tank, said via email. "This report gives institutions and policymakers a helpful playbook for making sure that every student receives a baseline return on their investment." **The minimum economic return measured in the report is referred to as Threshold 0. Institutions meet Threshold 0 if their students earn at least as much as a high school graduate, plus enough to recoup their investment in college, within 10 years. That threshold is within reach for about 83 percent of colleges, according to the report. The percentage is even higher for two- and four-year public institutions, 89 percent and 97 percent, respectively. The typical postgraduation earnings for alums of such institutions are about $8,981 above the threshold minimum.**

**Warrant:** Skepticism about college is unwarranted.

Dickler, Jessica. "College is still worth it, research finds — although students are growing skeptical", CNBC, 22 Aug 2023, https://www.cnbc.com/2023/03/01/is-college-worth-it-what-the-research-shows.html

His parents support his decision to pursue a certification in a skilled trade rather than get a bachelor's degree, he said. Although Kirkhoff is the only one of his friends who decided against a four-year school next year, more high school students nationwide are questioning the value of college. **For decades, research showed that earning a degree is almost always worthwhile. Bachelor's degree holders generally earn 75% more than those with just a high school diploma, according to "The College Payoff," a report from the Georgetown University Center on Education and the Workforce — and the higher the level of educational attainment, the larger the payoff. Finishing college puts workers on track to earn a median of $2.8 million over their lifetimes, compared with $1.6 million if they only had a high school diploma, the report found.**

**Warrant:** Over time, occupations will require more education

Dickler, Jessica. "College is still worth it, research finds — although students are growing skeptical", CNBC, 22 Aug 2023, https://www.cnbc.com/2023/03/01/is-college-worth-it-what-the-research-shows.html

Over time, **occupations as a whole are steadily requiring more education, according to another upcoming report by Georgetown's Center on Education and the Workforce.** And the fastest-growing industries, such as computer and data processing, still require workers with disproportionately high education levels compared with industries that have not grown as quickly**. In 1983, only 28% of jobs required any postsecondary education and training beyond high school. By 2021, that had jumped to 68%,** the report also found. In another decade, it will climb to 72%.

**Analysis:** Use these cards to show the judge that a college education will retain value regardless of debt forgiveness. The drivers of college education are structural and will not go away.

## A/2: Debt forgiveness discourages systemic reform.

**Answer:** Systemic reform can coexist with debt forgiveness.

**Warrant:** Legislation has been introduced

Knott, Katherine. “Republicans Unveil Sweeping Higher Education Legislation”, Inside Higher Ed, June 2023, https://www.insidehighered.com/news/government/student-aid-policy/2023/06/15/republicans-seek-overhaul-federal-student-loan-system

**Louisiana senator Dr. Bill Cassidy unveiled a package of bills Wednesday that he and other Senate Republicans said would rein in the cost of a college education and address the root causes that are driving students to take on more loans. The Lowering Education Costs and Debt Act, which is a collection of five bills**, gives a good look into Cassidy’s priorities as ranking Republican on the Senate education committee. **“**Student loan debt is an anchor on people’s feet, and that is what is keeping them from mobility,” Cassidy said at a press conference. “We’re trying to make it so that this person has a future untethered by student loan debt, which predictably they would not be able to pay back.”

**Warrant:** The bill would put pressure on colleges to lower costs.

Knott, Katherine. “Republicans Unveil Sweeping Higher Education Legislation”, Inside Higher Ed, June 2023, https://www.insidehighered.com/news/government/student-aid-policy/2023/06/15/republicans-seek-overhaul-federal-student-loan-system

Also on, Wednesday Vermont senator Bernie Sanders, who chairs the Senate education committee, introduced the latest version of the College for All Act, which would double the maximum Pell Grant award, guarantee tuition-free community college for all students and allow eligible students to attend four-year institutions without taking on debt. **The Lowering Education Costs and Debt Act, on the other hand, would prevent colleges and universities from accessing federal financial aid for their students if program graduates don't clear certain earnings thresholds. It would streamline repayment options, require some loan counseling, improve transparency about college programs to give students and families better information, standardize student aid offers, and limit graduate school borrowing, among other provisions**.

**Warrant:** The President has announced an initiative to provide better information to students

Morgan, Julie. "Making College More Affordable", Center for American Progress, 22 Aug 2023, https://www.americanprogress.org/article/making-college-more-affordable/

Every day students decide where to apply to school, what to study, and how to pay, with very little information on which to base their decisions. Better information is a key to making choices that ensure families aren't saddled with educational debt for the rest of their lives. **The president announced that his administration would develop a college scorecard to act as a quick reference for students on the cost and quality of the colleges they are researching. These scorecards will be hosted on the federal government's College Affordability and Transparency Center website and will include information such as a student's likelihood to graduate and repay student loans, average debt upon graduation, and likely employment outcomes.** In addition to the scorecard, the president touted plans to collect college earnings information and its financial aid shopping sheet—a model disclosure form for financial aid offers.

**Warrant:** Administrative agencies can develop tools that help students make informed decisions without the need for legislation.

Morgan, Julie. "Making College More Affordable", Center for American Progress, 22 Aug 2023, https://www.americanprogress.org/article/making-college-more-affordable/

The model financial aid shopping sheet that **the Consumer Financial Protection Bureau and the Education Department developed is an excellent tool. It will help students make accurate side-by-side comparisons among institutions by ensuring all schools present their financial aid packages in the same way.** But it will only truly be helpful if colleges are required to use it, not just encouraged to do so. The president should urge Congress to require colleges and universities to adopt the financial aid shopping sheet.

**Analysis:** Use these cards to demonstrate that student debt relief does not preclude other methods of solving the student loan crisis. The President can and should do both.

## A/2: Debt forgiveness increases wasteful spending.

**Answer:** Colleges don't have enough funding.

**Warrant:** States are decreasing their funding of colleges.

NEA Research. "State Funding of Higher Education During Financial Crises." National Education Association, 25 Oct 2022, https://www.nea.org/he_funding_report.

1. **Across the U.S., 32 states spent less on public colleges and universities in 2020 than in 2008, with an average decline of nearly $1,500 per student.** As a result, students need to pay (and borrow) more. 2. But that's not the whole problem: Institutions also are spending more on things that don't have to do with student learning, such as institutional debt. Now, state lawmakers are making plans for next year's state budgets. It's essential for faculty and staff to make their voices heard. 3. Now, state lawmakers are making plans for next year's state budgets. It's essential for faculty and staff to make their voices heard.

**Warrant:** Colleges need more funding.

Dickler, Jessica. "'Universities are going to continue to suffer.' Some colleges struggle with enrollment declines, underfunding." CNBC, 5 Oct 2022, https://www.cnbc.com/2022/10/05/colleges-struggle-with-enrollment-declines-underfunding-post-covid.html.

Increasingly, high school students are rethinking the value of college, with a growing number of them questioning the return on investment. Some have decided against a four-year degree. To be sure, undergraduate enrollment was falling even before the pandemic, but remote learning — coupled with the sky-high cost of college — triggered a nosedive. **The number of undergraduates enrolled in college nationwide is now down 9.4% compared to two years ago — a loss of nearly 1.4 million students. Those steep declines caused tuition revenue to fall, putting some schools in financial jeopardy. A few have had to shut down entirely.** "I worry that the trend is going to continue because nobody is doing anything to improve affordability, and universities are going to continue to suffer," said Hafeez Lakhani, founder and president of Lakhani Coaching in New York City.

**Analysis:** This is a good response because it shows that colleges need more money to keep their doors open. It casts doubt on the narrative that colleges are just being greedy. Instead, it shows that maybe colleges aren't being wasteful – they're just doing what it takes to keep their doors open.

**Answer:** The Bennett Hypothesis has a weak correlation at best.

**Warrant:** Research supporting the Bennett Hypothesis is flawed.

Pallardy, Richard. "History of Student Loans: The Bennett Hypothesis." Saving for College, 12 Feb. 2019, https://www.savingforcollege.com/article/history-of-student-loans-the-bennett-hypothesis.

**Even if the Bennett hypothesis is true, the lack of a strong correlation suggests that it depicts at best a weak relationship. The Bennett hypothesis may be true only for isolated subsets of higher education, such as for-profit colleges and universities.** After all, nobody rightfully believes that a $5,500 Federal Direct Stafford Loan limit and a $6,095 maximum Federal Pell Grant cause some colleges to charge as much as $75,000 a year. The mismatch in magnitude undermines the Bennett hypothesis. **Much of the research about the Bennett hypothesis is flawed because it looks for correlations**

**between the total amount of financial aid and sticker prices, as opposed to correlations between changes in the amount of financial aid and changes in college prices.** The former can never demonstrate a causal relationship and the latter appears to disprove it. Consider that Federal Stafford loan limits did not increase from 1993 to 2007 or from 2008 to the present, yet college costs continued to increase during these periods. The maximum Federal Pell Grant remained unchanged at $2,300 from 1989-90 to 1994-95, at $4,050 from 2003-04 to 2006-07 and at $5,550 from 2010-11 to 2012-13, yet college costs continued to increase. Some of these time periods overlap, meaning that there were no increases in federal grants and loans, yet college costs continued to increase at the same pace. Moreover, there was no spike in college costs when loan limits were increased in 2008 or when the maximum Federal Pell Grant jumped in 2009-10. **Some research about the Bennett hypothesis purports to find correlations with gross tuition rates or sticker prices. These results evaporate when retargeted at correlations with net tuition and net price. The correlations also disappear when re-examined at a granular level.**

**Analysis:** This is a good response because all of the research surrounding wasteful spending funded by federal aid is predicated on William J. Bennett's hypothesis that increased federal aid leads to increased tuition costs. By using this response, you can take arguments out at the link level and not have to worry about whatever nebulous impact your opponents cooked up.

**Answer:** Colleges don't want to increase tuition costs.

**Warrant:** Colleges are trying to implement no-loan programs.

Edelman, Jon. "Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research." Diverse Issues in Higher Education, 2 Feb. 2023, https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon%20Edelman&text=The%20Biden%20administration's%20recent%20moves,have%20sparked%20controversy%20and%20criticism..

The reason, according to Kofoed, is that colleges may not be as greedy as William J. Bennett had thought. "Colleges and universities are not profit-maximizing firms," he said. "They have other objective functions, and so they don't behave like a for-profit firm would." **Institutions of higher education are moving toward no-loan programs, Kofoed argued, in which higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging.** "I would be skeptical of thinking that they would instantly throw out that model of student cross-subsidization and decide to just raise tuition to capture the student loans and place a higher debt on the students that they are currently committed to reducing," he said.

**Analysis:** This is a good argument because it shows that colleges do not want students to have to take out student loans, and increasing tuition prices would hinder them from reaching that goal. Beyond this, it shows that, while student debt is an issue, colleges are working toward solutions in the status quo.

## A/2: Debt forgiveness is unfair.

**Answer:** Debt forgiveness is fair.

**Warrant:** The loan repayment system is a dysfunctional mess that harms borrowers.

Dynarski, Susan. "Why I Changed My Mind on Student Debt Forgiveness." The New York Times, 30 Aug. 2022, https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.

With a well-functioning system of loan repayment, these small debts would not cause distress. In theory, income-based repayment programs, such as Pay as You Earn, allow borrowers to pay only what they can afford by setting payments as a percentage of income. But these programs require that borrowers annually document their incomes, using information from the Internal Revenue Service. This part of the application process frequently tripped up borrowers, keeping them from enrolling and staying in income-based plans. How has this happened? The Department of Education outsources the servicing of student loans to private companies. These companies are the face of student loans for tens of millions of borrowers — and often the source of enormous frustration. The loan companies have misdirected payments, lost paperwork and charged incorrect interest rates, the Consumer Financial Protection Bureau and the Government Accountability Office have shown. **This bureaucratic, government-created mess of a system has actively harmed student borrowers, driving many into default. Delinquency and default leave a longstanding blot on credit records, keeping borrowers from buying homes and cars, renting apartments and getting jobs.** By allowing borrowers to once again get access to credit, housing and job markets, forgiving loans can therefore have a real effect on lives and the economy.

**Warrant:** The government needs to right its wrong.

Dynarski, Susan. "Why I Changed My Mind on Student Debt Forgiveness." The New York Times, 30 Aug. 2022, https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.

A third of borrowers hold less than $10,000 in debt. An additional 20 percent have debts below $20,000. Mr. Biden's plan could clear the debts of about half of borrowers. This will not only improve lives but also reduce stress on the loan system when the remaining borrowers restart paying in a few months. I once thought forgiveness to be an expensive Band-Aid, a distraction from fundamental reform. **But I have seen so little progress on these issues that I now think we must make amends to those we have harmed.** It's time to erase the debts of those millions who borrowed modestly for their education but wound up in financial distress because of our disjointed loan system. **Loan forgiveness is not just warranted; it's fair: Government policy did harm, and it is government policy that should work to reverse it.**

**Analysis:** This is a good argument because it not only says that the government needs to right a wrong, but it says that because no progress has been made thus far, a radical solution is warranted. Blanket debt forgiveness is incredibly radical, and this card justifies it.

**Answer:** The position students are put in is unfair

**Warrant:** Higher education is so expensive that most students are forced to take out loans.

Sheffey, Ayelet. "Why Biden's student-loan forgiveness ignited a debate over the fairness of debt relief, according to an ethicist." Business Insider, 18 Dec. 2022, https://www.businessinsider.com/student-loan-forgiveness-2022-debt-fair-unfair-ethicist-explains-2022-12.

But the argument of fairness persists. Senate Minority Leader Mitch McConnell said in August that Biden's plan to cancel student debt is "astonishingly unfair." "President Biden's student loan socialism is a slap in the face to every family who sacrificed to save for college, every graduate who paid their debt, and every American who chose a certain career path or volunteered to serve in our Armed Forces in order to avoid taking on debt," McConnell said. **Dr. Kate Padgett Walsh, an associate professor of philosophy at Iowa State University studying the ethics of debt, told Insider that when it comes to student debt, the debate surrounding fairness isn't so cut and dry.** "They're thinking about their own experience, as opposed to what someone who's 20 is dealing with today," Walsh said. **"They're thinking about fairness far too narrowly because we need to think about how students get in this position.** And is that fair to begin with?" The difference between now and decades ago is that college is a lot more expensive — and if students want a higher education, they often don't have any other choice but to take out a loan, Walsh said. "This starts to look like a pretty big exception to our normal rule about holding people to their promises," Walsh said. "Normally, the fact that when I promise something, it gives me an obligation as an individual, as a person of integrity, to follow through there. But this looks like a really exceptional case... **these young people are agreeing to something, yes, but they don't really have a lot of other options," Walsh continued.** Tuition and fees at private universities have increased 134% over the past 20 years, per US News, and in-state tuition and fees climbed 175% over the same time-frame. Adjusted for inflation, going to school today is simply more expensive than it was when lawmakers like McConnell were pursuing higher education — when he was at University of Louisville in 1964, annual tuition there cost $330. **The state of the economy is different today, too, with cost of living on the rise and wages relatively stagnant. Signing on the dotted line when a student is 18 years old to take on debt is "less of a promise and more of a forced move," Walsh said, because paying for full tuition without financial aid is increasingly unattainable.**

**Analysis:** This is a good argument because it demonstrates that unfairness exists across the board. It's basically a nicer way of saying "yeah, well life is not fair – move on."

**Answer:** This is not a valid argument against other policies.

**Warrant:** Other government programs have not faced this critique.

Nelson, Libby. "The "fairness" debate over student loan forgiveness, explained." Vox, 31 Aug. 2022, https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation.

There are other versions of the fairness argument circulating. **One holds that forgiveness is unfair to those who borrowed but paid off their debts — an argument that could be raised against any social program on behalf of those who were born too early to benefit from it. The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits.** Forgiveness could be life-changing for millions of people, especially those struggling with default, the argument goes, while hurting no one. Which is where the other part of the critiques come in.

**Analysis:** This is a good argument because it shows that there are programs that don't have this standard all over, and we still voted for them because they benefited the most vulnerable Americans. It's especially nice because this card lays out the point and counterpoint that takes it down.

## A/2: There are better alternatives.

**Answer:** Better alternatives are too slow to come by.

**Warrant:** Student loan debt has a major impact on borrowers – it needs to be fixed now.

"The Impact of Student Loan Debt." National Association of Realtors, https://www.narealtor/research-and-statistics/research-reports/the-impact-of-student-loan-debt.

This report builds on past findings from NAR and explores the current role of student loan debt and the relationship to homeownership. The findings show that student debt does hold back home buyers. While the themes are consistent based on past research, the current report expands the knowledge base by exploring the role of the current Federal Government Stimulus packages and the role the current COVID-19 pandemic has played on debt. Some of the key findings include: 1. While the plurality say student loan debt has not impacted any of the tested employment decisions (42%), others say debt has kept them in disliked or uninteresting jobs, forced them to take second jobs, or take a job outside their preferred field. 2. **Over one quarter of student loan debt holders say their debt has impacted their decision or their ability to purchase a home (29%), take a vacation (35%), or purchase a car (31%).** 3. **Approximately half of student loan debt holders say their debt has impacted their life choices. One third say it has impacted their ability to continue their education (33%) while 14% say it has impacted their decision to start a family.**

**Warrant:** Student loan debt has a major impact on the economy – it needs to be fixed now.

Hanson, Melanie. "Economic Effects of Student Loan Debt." Education Data Initiative,20 Sep. 2023, https://educationdata.org/student-loan-debt-economic-impact.

**Small businesses are especially vulnerable to the economic impact of student loan debt as they are the most likely to rely on personal financing.** Would-be entrepreneurs are 11% less likely to start a new business if they owe more than $30,000 in student loan debt. The average student loan debt per borrower is $37,570. **Businesses with fewer than 20 employees create a net of 1.2 million new jobs annually.** 99.9% of businesses in the U.S. have fewer than 20 employees. Small businesses with fewer than 500 employees employ 47.3% of the national private workforce. **A joint study by Pennsylvania State University and Federal Reserve Banks finds "a significant and economically meaningful negative correlation between changes in student debt and net new businesses employing one to four employees.**

**Warrant:** There is no progress being made on the student debt crisis.

Dynarski, Susan. "Why I Changed My Mind on Student Debt Forgiveness." The New York Times, 30 Aug. 2022, https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.

A third of borrowers hold less than $10,000 in debt. An additional 20 percent have debts below $20,000. Mr. Biden's plan could clear the debts of about half of borrowers. This will not only improve lives but also reduce stress on the loan system when the remaining borrowers restart paying in a few months. I once thought forgiveness to be an expensive Band-Aid, a distraction from fundamental reform. **But I have seen so little progress on these issues that I now think we must make amends to those we have harmed. It's time to erase the debts of those millions who borrowed modestly for their education but wound up in financial distress because of our disjointed loan system.** Loan forgiveness is not just warranted; it's fair: Government policy did harm, and it is government policy that should work to reverse it.

**Analysis:** This argument is good because it admits that there are other alternatives out there, but it explains that those alternatives are going to take too long. Individual borrowers and the economy as a whole are suffering. This card adds a sense of urgency to the issue and imposes an almost immediate time frame.

**Answer:** Debt forgiveness is a good first step.

**Warrant:** Forgiving student debt is a step in the right direction.

Mulvey, Irene. "Debt Forgiveness A Hard-Fought First Step." American Association of University Professors, 26 Aug. 2022, https://www.aaup.org/news/debt-forgiveness-hard-fought-first-step.

**President Biden's long awaited announcement of a plan to alleviate the student debt of roughly twenty million Americans should be celebrated as a hard-fought first step toward reaffirming the purpose and promise of higher in our democracy.** This transformative plan will go a long way toward narrowing the racial wealth gap which the student loan crisis has exacerbated. The AAUP's founding principles affirm that higher education exists to support the common good. An education should be accessible and affordable as a human right to anyone willing to seek it. **President Biden's action on student debt relief is a vital first step in addressing decades of disinvestment and underfunding of our public institutions of higher education.** The data on student debt makes it clear that people of color, especially women of color, are most heavily burdened and deserving of assistance. Four years after graduation, Black college graduates owe nearly twice as much as their white counterparts. For three quarters of Black borrowers, the student loan balance they owe today is greater than the original balance. It is hard to imagine this kind of injustice going unaddressed if it were directed at a white population.

**Warrant:** Debt forgiveness is the first nail in the coffin.

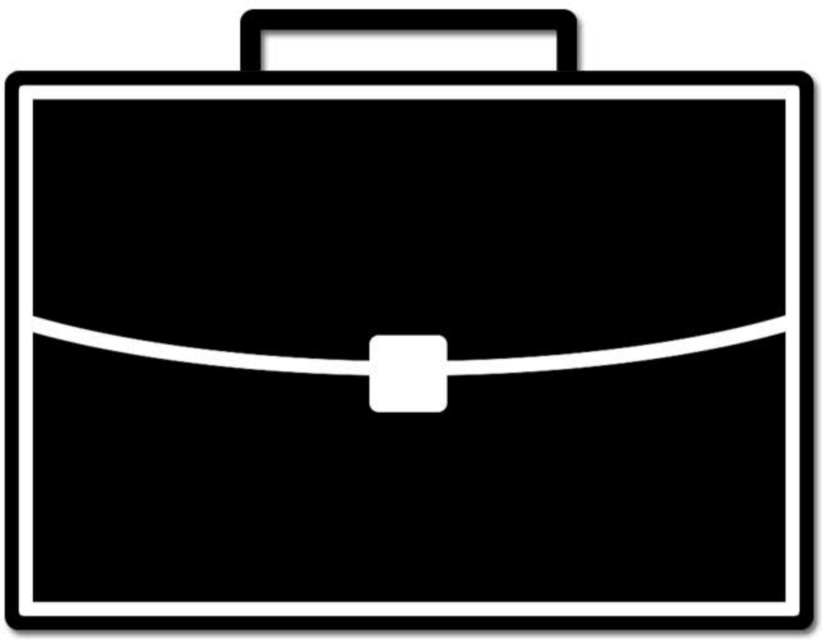
Helhoski, Anna & Eliza Haverstock. "What Would It Take to Solve the Student Debt Crisis?" NerdWallet, 20 Jan. 2023, https://www.nerdwallet.com/article/loans/student-loans/what-would-it-take-to-solve-the-student-debt-crisis.

The possibility of federal student loan forgiveness grabs all the headlines. But experts say no single policy — not even wiping the slate clean for millions of borrowers — solves the root causes of the nation's $1.7 trillion student loan debt crisis. That debt has been fueled by decades of wages not keeping up with the rising cost of college. And unless wages increase and college costs decrease, students will still need to take on debt to complete degrees, and they'll face greater difficulty repaying loans. **"There are no $1.7 trillion silver bullets," says Seth Frotman, the former executive director of the Student Borrower Protection Center, a nonprofit advocacy organization.** So what could work? It'll take more than a headline-grabbing wipeout of student debt. **Frotman says, in addition to canceling debt, he would prioritize efforts to make college more affordable and to reform the borrowing and repayment systems.** Michele Streeter, senior policy analyst at The Institute for College Access and Success, says student loans remain an important college access tool for students, but forgiveness and repayment programs should be easier to access and automated whenever possible. As a new crop of students gets ready to borrow for college and multiple generations of borrowers grapple with debt, experts weigh in on possible solutions.

**Analysis:** This is a good response because it acknowledges that debt forgiveness is not the end all be all, but it paints it as a step in the right direction. This way, even if the solution is not perfect, you can argue that it builds momentum toward an even better solution. Bear in mind that although the first card talks specifically about Biden's plan, the resolution is a more radical plan that the author's intent seems to support.

# Champion Briefs

## Nov/Dec 2023
## Public Forum Brief



## Con Arguments

## CON: Debt forgiveness is expensive

**Argument:** Debt forgiveness will cost an unimaginable amount of money. This creates a variety of social and political harms that exceed the cost of bearing the debt.

**Warrant:** There is over 1.5 trillion dollars in student debt

Swagel, Phillip. "Costs of Suspending Student Loan Payments." CBO, 26 September 2023, https://www.cbo.gov/system/files/2022-09/58494-Student-Loans.pdf

**As of June 30, 2022, 43 million borrowers held $1.6 trillion in federal student loans**.6 About $430 billion of that debt will be canceled, CBO estimates. In its May 2022 baseline, CBO projected that for many borrowers in income-driven repayment plans, a portion of the amounts canceled through executive action would eventually be forgiven anyway. CBO also projected that many borrowers in fixed-length repayment plans would accrue and pay interest on the principal amounts canceled through executive action. Because of the executive action, those borrowers will now pay less in principal and interest than the amounts estimated in the baseline. CBO's projections of costs depend in part on the number of borrowers with income below the specified limits, the number of those borrowers who received a Pell grant, the fraction of eligible borrowers who apply for debt cancellation, and the balances on those borrowers' loans. For the **roughly 37 million borrowers with direct loans from the federal government**, CBO made the following estimates, which are approximate:

**Warrant:** Stopgap measures like pauses and limited forgiveness are still expensive

Swagel, Phillip. "Costs of Suspending Student Loan Payments." CBO, 26 September 2023, https://www.cbo.gov/system/files/2022-09/58494-Student-Loans.pdf

The cost of outstanding student loans will increase by $20 billion because an action suspended payments, interest accrual, and involuntary collections from September 2022 to December 2022, the Congressional Budget Office estimates. That present-value cost is relative to the amounts in CBO's May 2022 baseline projections. **After accounting for those suspensions, CBO estimates that the cost of student loans will increase by about an additional $400 billion in present value as a result of the action canceling up to $10,000 of debt issued on or before June 30, 2022**, for borrowers with income below specified limits and an additional $10,000 for such borrowers who also received at least one Pell grant.

**Warrant:** Cancelling student debt will create higher costs

Suderman, Peter. "Biden's Loan Forgiveness Plan Ultimately Means Higher Costs for Higher Ed." *Reason Magazine*, December 10, 2023, https://reason.com/2022/12/19/higher-costs-for-higher-ed/

**One reason colleges have continued to raise tuition prices and fees is that the federal government has enabled them to do so by backstopping student loans.** In 2010, as part of the Obamacare reconciliation package, the federal government effectively took over the student loan market in its entirety. **The widespread availability of student aid has provided financial assistance to millions of student borrowers. But it also has given colleges a larger pool of money from which to draw. As loans have become more common and more generous, colleges have built elaborate, sometimes luxurious facilities and hired armies of administrative staff, often with quite generous salaries.** Although it may seem like a paradox, the expansion of student financial aid has made college more expensive.

**Warrant:** The threat of climate change is imminent for indigenous communities.

Suderman, Peter. "Biden's Loan Forgiveness Plan Ultimately Means Higher Costs for Higher Ed." *Reason Magazine*, December 10, 2023, https://reason.com/2022/12/19/higher-costs-for-higher-ed/

Biden's student loan forgiveness plan is apt to have the same effect. It will cancel up to $10,000 in federal student debt (or $20,000 for Pell Grant recipients) for individuals making up to $125,000 a year and couples making up to $250,000**. That is effectively a subsidy on top of a subsidy. It makes borrowing cheaper by reducing the amount that has to be repaid. Although the debt forgiveness currently is structured as a one-time action, it is likely to set up the expectation of further cancellations. If political pressure to forgive debt can work once, why wouldn't it work again every five or 10 years?** Biden's student loan program also includes a change to income-driven repayment (IDR) plans, which let borrowers pay back loans based on how much they earn. Starting in 2023, students in IDR plans will have to pay only 5 percent of their annual earnings beyond $33,000. Normally, payments too small to cover the full amount of interest on a loan would increase the amount owed. Under Biden's plan, the government will simply forgive that amount, so that the underlying loan size can never increase. And after 20 years, any remaining amounts will be wiped from the books.

**Analysis:** This is a good argument because unlike typical climate change arguments where you have a nebulous extinction impact with a low probability of occurrence, this uses climate change as the link and humanizes the impact. This is compelling to lay judges who want real-world impacts and tech judges who will appreciate its probability.

## CON: Debt forgiveness should be targeted

**Argument:** There is no justifiable reason to give student debt relief to the rich. Any program should target the maximum amount of resources at the less fortunate.

**Warrant:** Debt forgiveness should go to those who need it.

Looney, Adam. "Biden can and should target student-loan debt forgiveness." *Brookings*, May 2022, https://www.brookings.edu/articles/biden-can-and-should-target-student-loan-debt-forgiveness/

So the policy issue is not whether to forgive some debt, but how and for whom. Debt forgiveness could be an opportunity to redress failures of the current system, make college financing more fair and equitable, and provide hope not just for existing borrowers, but also to future students who will borrow to pay for college and graduate school. Tomorrow's students need confidence the government has a plan to help them, too. But **widespread, immediate, and one-off debt forgiveness—$10,000 for everyone, regardless of circumstances, ignoring that students are going to borrow another $100 billion next year—doesn't accomplish any of those goals. But a targeted, gradual approach to debt forgiveness could. Widespread debt forgiveness isn't equitable because student debt is mostly owed by higher-income, better-educated borrowers, from affluent, mostly white backgrounds.** Eligibility for federal loans is not based on income—virtually all American students are eligible—and loans can be a convenient and inexpensive way to finance tuition or living expenses even for families who can "afford to pay."

**Warrant:** Blanket loan forgiveness is unequal

Looney, Adam. "Biden can and should target student-loan debt forgiveness." *Brookings*, May 2022, https://www.brookings.edu/articles/biden-can-and-should-target-student-loan-debt-forgiveness/

**High-income families are six times more likely to send their children to college as low-income families. If you meet someone with a recent graduate degree, more than half grew up in a high-income family. Black and Hispanic Americans remain woefully underrepresented at every level of postsecondary educational attainment and are less likely to complete degrees. Many student loan borrowers do well after college—the wages of young college and professional-degree graduates are at all-time highs. Forgiving debt of affluent, high-income, well-educated, mostly white Americans makes society more unequal, not less.** One-off, across-the-board forgiveness is capricious and unfair in other ways. Why does an Ivy-league professional-degree graduate deserve the same relief as a student who pursued a low-cost community college degree? Why should the class of 2022 get a windfall, but not students who enroll next year? Why should a borrower who spent years paying down a balance get the same or less than someone who graduated yesterday?

**Warrant:** Other plans would be more equitable

Blom, Erica. "A More Targeted Approach to Student Loan Forgiveness." *Urban Institute*, April 2021, https://www.urban.org/urban-wire/more-targeted-approach-student-loan-forgiveness

**Retroactively doubling Pell is targeted based on previous circumstances, and it's nearly as simple to implement as blanket forgiveness. Policymakers could forgive up to the cumulative amount of Pell grant dollars received by the student while in college for roughly the same cost as forgiving up to $10,000 for all borrowers. Since Pell grants are based on income and wealth while in college, a Pell-based approach would target**

**borrowers from lower-income backgrounds.** Pell-based forgiveness would also disproportionately benefit Black borrowers. Because Black households have lower incomes and far less wealth than white households, on average, Black students receive Pell grants at a much higher rate than white students and would be more likely to receive forgiveness under a Pell-based approach.

**Warrant:** Retroactive Pell grants have a far more progressive outcome

Blom, Erica. "A More Targeted Approach to Student Loan Forgiveness." *Urban Institute*, April 2021, https://www.urban.org/urban-wire/more-targeted-approach-student-loan-forgiveness

To understand how retroactive Pell compares with the $10,000 forgiveness plan, I consider a sample of students who entered college in the 2011–12 academic year and who had federal loans in 2017. Though this sample may not be representative of all borrowers, the patterns I find are likely to hold. **Retroactive Pell turns out to be far more racially progressive than broad forgiveness. Under the blanket forgiveness plan—wherein each borrower is forgiven up to a maximum of $10,000—dollars are allocated roughly in proportion to the racial and ethnic makeup of borrowers. White borrowers would actually benefit slightly more than Black or Hispanic borrowers—$8,500, on average, compared with $8,400 and $8,100, although fewer would see their debt completely erased (29 percent, compared with 33 percent for Black students and 38 percent for Hispanic students). Under retroactive Pell, Black students and Hispanic students would receive proportionately more. The average Black borrower would receive roughly $10,100 under this plan (more than the maximum under the $10,000 plan), Hispanic borrowers would receive roughly $8,500, and white borrowers would receive $6,200.** Eighty-eight percent of Black borrowers would receive some forgiveness, compared with 84 percent of Hispanic borrowers and 62 percent of white borrowers.

**Analysis:** The debate over student loan forgiveness is intense. It is clear that the President will only get one shot at making this work. Make the case that President Biden should adopt the best possible policy, not a blanket loan forgiveness that is actually unequal when applied.

## CON: Debt forgiveness helps the rich

**Argument:** Debt forgiveness disproportionately helps wealthy people who use student loans as a cost-effective way of paying for college.

**Warrant:** Student debt relief mostly healps the rich

Staff. "Canceling 10K of Student Debt Will Help Wealthy, White the Most." *NBC Local* June 2022, https://www.nbcnewyork.com/news/politics/interactive-canceling-10k-of-student-debt-will-help-wealthy-white-the-most/3745496/

The plan is popular partly because it would erase the balances of about one-third of borrowers. While Biden has wavered on the question of whether or not to cancel loans, he's facing mounting pressure from Democrats and young Americans ahead of November's elections as millions grapple with a collective debt that's ballooned to over $1.7 trillion. NBC Local created the interactive below using data from a study out of the University of Chicago to show how a variety of student loan forgiveness options would affect different groups based on their income or race and ethnicity. **The research found that blanket forgiveness options, such as canceling $10,000 or even all student debt, help high-income borrowers more than low-income ones. For example, full forgiveness would distribute about $190 billion to the top 20 percent of earners and only about $30 billion to the bottom 20 percent. "The main takeaway was that universal loan forgiveness is a regressive policy. Most of the benefits go to individuals who are at the top of the income distribution,**" said Constantine Yannelis, one of the study's authors and an associate professor of finance at the University of Chicago's Booth School of Business.

**Warrant:** The rich use student loans more than the less wealthy

Staff. "Canceling 10K of Student Debt Will Help Wealthy, White the Most." *NBC Local* June 2022, https://www.nbcnewyork.com/news/politics/interactive-canceling-10k-of-student-debt-will-help-wealthy-white-the-most/3745496/

**This is largely because the people who spend more on their college education, such as aspiring lawyers and doctors who go to pricey professional schools, tend to make more than those who spend less on college, such as students who earn associate degrees or who end up dropping out.** But blanket loan forgiveness isn't the only strategy for tackling student debt relief, and other approaches do a better job of distributing relief more equitably. The study found Income-Driven Repayment (IDR) programs to be the most progessive option. Under an IDR plan, borrowers are meant to pay an affordable monthly payment based on income and family size. For example, participants in the Department of Education's current REPAYE Plan generally pay 10% of their discretionary income and loans are forgiven after 20 or 25 years. "If you earn a lot of money, you repay your loan, but if you don't earn a lot of money, you end up paying much less or even not paying anything, so there's effectively insurance built in," said Yannelis.

**Warrant:** Most student debt belongs to high-wealth households

Cooper, Peter. "Most Student Debt Belongs To High-Wealth Households." Forbes, Jan 2022,https://www.forbes.com/sites/prestoncooper2/2022/01/21/study-most-student-debt-belongs-to-high-wealth-households/?sh=548858c3ba4b

The reasons are intuitive. **The most lucrative degrees—in medicine, dentistry, and law—tend to be the most expensive. A young doctor with $200,000 in medical school debt looks destitute on paper. But medicine is one of the best-paid professions in the country, meaning the new doctor's lifetime income prospects may vault him into the top 1%. By contrast, someone who never attended college has no debt, and so**

**appears wealthier than the doctor on paper. But his lifetime income could be an order of magnitude lower.** Looney's analysis makes it clear than mass student debt forgiveness is regressive. People who look poor on paper tend to have a lot of student debt because the asset they purchased—education—is not counted properly in official statistics, while the liability is. With proper accounting, there is no case for broad loan cancellation as an economic equalizer.

**Impact:** Loan defaults, indicating a real inability to pay, are concentrated in dropouts

Cooper, Peter. "Most Student Debt Belongs To High-Wealth Households." Forbes, Jan 2022,https://www.forbes.com/sites/prestoncooper2/2022/01/21/study-most-student-debt-belongs-to-high-wealth-households/?sh=548858c3ba4b

But **while the value of education is high on average, the returns to postsecondary education are also uneven.** In a project for the Foundation for Research on Equal Opportunity, I calculated the net financial value of 30,000 bachelor's degrees and found that 28% of them do not have an expected positive return. While a bachelor's degree pays off on average, some students either drop out before completion or choose a low-paying major, meaning their education may not confer the economic benefits they'd hoped for. These instances of educational investment that fails to justify its costs are the source of most student loan distress. **Loan defaults, for instance, are concentrated among college dropouts. Borrowers in low-paying fields of study experience higher rates of loan delinquency. Rather than broad loan forgiveness, reforms to the federal student loan program should be pursued with this subset of cases in mind.**

**Analysis:** This argument is good because shows the judge that the beneficiaries of student loan forgiveness are not the people the policy was intended to help. Use this argument in conjunction with claims about the gross expense of student loan forgiveness to prove that it is a giant giveaway to the rich.

## CON: Debt forgiveness does not solve the problem

**Argument:** A one-time debt forgiveness program will not solve anything. Instead, it is likely to make the problem worse over the long run.

**Warrant:** Student debt will come back.

Cerullo, Megan. "Student loan forgiveness won't solve the college debt problem." CBS News. June 2022, https://www.cbsnews.com/news/student-loan-forgiveness-wont-solve-college-debt-problem/

The college chain collapsed in 2015 when Vice President Kamala Harris was attorney general for the state of California and sued the company for misleading practices. The cancellation of debt applies to everyone who attended Corinthian, and the relief will be automatic. Most Americans support some type of loan forgiveness for college students who attended legitimate colleges and universities as well. Still others argue that major reform is necessary so that future generations don't also end up hamstrung by loans they took out to pursue college and graduate school degrees. **"If the cancellation is not accompanied by larger, systemic reforms, we will almost certainly arrive at this pass again," financial columnist Helaine Olen recently wrote in a Washington Post opinion piece, in which she called student loan debt "a problem from hell." Forgiveness is not a comprehensive solution to an issue that affects not just individual borrowers, but the economy at large, and only "kicks the bucket down the road," Olen argued.**

**Warrant:** A systemic effort is needed to address the root cause of expensive college

Cerullo, Megan. "Student loan forgiveness won't solve the college debt problem." CBS News. June 2022, https://www.cbsnews.com/news/student-loan-forgiveness-wont-solve-college-debt-problem/

**Instead, solutions should be focused on addressing why college is so expensive in the first place, and how the U.S. can help make it more affordable.** Immediate relief for borrowers is necessary but not sufficient. **"If we don't take this on as a systemic issue, in terms of asking why does college cost so much, what can we do to bring the cost down, and how can we make these loans manageable for people who need to resort to them to pay for college, we will almost certainly be at this pass again, there is no question about it,"** Olen told CBS News. More than 40 million Americans currently hold a combined total of $1.7 trillion in student debt — an amount large enough to take a real toll on the U.S. economy as it forces debt holders to delay major purchases and inhibits them from contributing fully to the economy.

**Warrant:** Loan forgiveness will not reduce the cost of college

Smith, Michael. "Student loan forgiveness won't rein in tuition costs." The Hill. June 2022, https://thehill.com/opinion/education/3517622-student-loan-forgiveness-wont-rein-in-tuition-costs/

Both sides make valid points. **But neither side is addressing the underlying problem: the skyrocketing cost of higher education.** Since 1978, college tuition has increased by 1,375 percent, more than four times the rate of inflation. By focusing on debt forgiveness rather than what caused the debt, we're treating the symptom rather the disease.

Here's the thing: **We've known the cause of this disease – and how to cure it – for more than half a century, ever since the economist William Baumol identified it in a famous 1967 article in American Economics Review. Economists today call it "Baumol's cost disease." Baumol observed that when productivity rises in most of the labor market, you get a problem in the industries in which it doesn't. It's a supply-and-demand issue: In sectors where productivity increases, one hour of a person's labor**

**goes farther, so labor becomes less scarce and prices fall. But as that happens, prices rise in the sectors where productivity doesn't increase.**

**Warrant:** College costs will only continue to rise

Smith, Michael. "Student loan forgiveness won't rein in tuition costs." The Hill. June 2022, https://thehill.com/opinion/education/3517622-student-loan-forgiveness-wont-rein-in-tuition-costs/

The application of this theory to college tuition is clear. **College professors today are about as productive as they were in the 1800s. It still takes them an hour to deliver an hour-long lecture, and they still can deliver that lecture to, at most, only a few hundred students. Because their productivity hasn't changed, even as the productivity of workers in other sectors has, the relative cost of their labor has gone up. This reality led Baumol himself to predict that "rising educational costs are no temporary phenomenon."** Rather, "as productivity in the remainder of the economy continues to increase, costs of running the educational organizations will mount correspondingly, so that whatever the magnitude of the funds they need today, we can be reasonably certain that they will require more tomorrow, and even more on the day after that."

**Analysis:** Use this argument in conjunction with evidence that student debt forgiveness is very expensive to make the point that such a policy would be a waste of money. Any gains from debt forgiveness would be merely transitory.

## CON: Debt forgiveness is unfair to taxpayers

**Argument:** Someone will have to pay for debt forgiveness. Most likely, this will be taxpayers who do not want this program. In a democratic society, this is unfair.

**Warrant:** Many Americans will have to bear the burden of paying for debt forgiveness.

Burke, Lindsey. "Why Biden's Student Loan Bailout Is Unfair." Heritage Foundation. June 2022, https://www.heritage.org/education/commentary/why-bidens-student-loan-bailout-unfair

In unilaterally "canceling" up to $20,000 in student loan debt for borrowers earning less than $125,000 annually, the Biden administration on Wednesday put into motion a plan that will further inflate college costs, hinder economic growth, reward upper-income earners, and provide a major handout to woke institutions of higher education. **The administration has stuck its thumb in the eye of the millions of working Americans who don't hold college degrees but who will bear the cost of this federal largesse. The administration is also rubbing salt in the wounds of those responsible borrowers who worked their way through college to avoid debt or who worked hard to pay off their college debt after graduating. The millions of Americans who graduated from college, lived modestly, and did without fancy dinners and vacations so they could diligently repay the debt they agreed to pay back are surely wondering why they will get no such rebate.**

**Impact:** Student loan forgiveness is a handout to big colleges.

Burke, Lindsey. "Why Biden's Student Loan Bailout Is Unfair." Heritage Foundation. June 2022, https://www.heritage.org/education/commentary/why-bidens-student-loan-bailout-unfair

**Those responsible Americans are left standing there, holding the bill like chumps. They have good reason to feel insulted. So should the Americans who eschewed college altogether because they thought it was a bad value proposition—which the Biden administration has tacitly admitted through the very move to cancel debt. The plan is an unfair handout to Big Education, which will gladly keep raising tuition, and a politically favorable constituency of relatively wealthy, more highly educated voters. The debt cancellation includes household income of up to $250,000, while the national median family income is only $80,000 (at best).** Biden's boondoggle bailout will also, as Clinton-era Treasury Secretary Lawrence Summers recently pointed out, have both macro (whole-of-economy) and micro (tuition prices) inflationary effects. History demonstrates that federal subsidies have enabled colleges to raise prices with abandon. Since the 1991-92 academic year, total federal aid (including student loans and grants) increased 295%.

**Impact:** Taxpayers will bear the cost.

Konish, Lori. "Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds." CNBC. June 2022, https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html

**The average burden per U.S. taxpayer for the new federal student debt cancellation will be $2,503.22, according to new estimates from the National Taxpayers Union**, a fiscally conservative advocacy group. That is based on the assumption that policymakers would need to make up for the total tally of the forgiveness through tax increases, spending cuts, borrowing or a combination of those strategies. The costs would not be spread evenly across the income spectrum. Those with the highest incomes would face the largest burdens. Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden's new plan.

However, critics say **taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars.**

**Impact:** Ultimately, the plan will cost 400 Billion

Konish, Lori. “Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds.” CNBC. June 2022, https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html

The average burden per U.S. taxpayer will be $2,503.22, according to new estimates from the National Taxpayers Union based on the specifics of Biden’s plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden’s student loan forgiveness plan will incur more debt for the government. **The estimated cost per taxpayer is based on the assumption that policymakers would need to make up for the total tally of the forgiveness through tax increases, spending cuts, borrowing or a combination of those strategies. The National Taxpayers Union’s calculation is based on a total cost of debt cancellation of more than $400 billion divided by the total number of U.S. taxpayers, 158 million.**

**Analysis:** This argument is powerful because it shows the judge that nothing is truly free. Student debt forgiveness comes out of the pockets of average Americans. Combine this with an argument about how debt forgiveness is, itself, regressive.

## CON: Debt forgiveness trades off with other social welfare programs.

**Argument:** Complete federal loan forgiveness is exorbitantly expensive. In order to pay for it, the government would have to cut funds from other public benefits programs. This would harm poverty reducing efforts and enforce poverty cycles.

**Warrant:** Forgiving all student debt would cost as much, or even more than, current welfare programs like EITC and SSI.

Looney, Adam. "Putting student loan forgiveness in perspective: How costly is it and who benefits?", Brookings, 12 Feb 2021, https://www.brookings.edu/articles/putting-student-loan-forgiveness-in-perspective-how-costly-is-it-and-who-benefits/.

**Forgiving all student debt would be a transfer larger than the amounts the nation has spent over the past 20 years on unemployment insurance, larger than the amount it has spent on the Earned Income Tax Credit, and larger than the amount it has spent on food stamps.** In 2020, about **43 million Americans relied on food stamps to feed their families.** To be eligible, a household of three typically must earn less than $28,200 a year. **The EITC, the nation's largest antipoverty program, benefitted about 26 million working families** in 2018. That year, the credit **lifted almost 11 million Americans out of poverty, including about 6 million children, and reduced poverty for another 18 million individuals. Forgiving up to $50,000 of student debt is similar in cost to the cumulative amount spent on Supplemental Security Income (SSI) and all housing assistance programs since 2000. Supplemental Security Income provides cash assistance to 8 million people who are disabled or elderly and have little income and**

**few assets.** Recipients must have less than $2,000 in assets. About half have zero other income.

**Warrant:** In order to pay for loan forgiveness, the government would have to make cuts somewhere; this could impact Biden's other social welfare programs.

Smith, Kelly Anne and Korena Bailie. "Canceling Student Debt Isn't Free. Here's Who Pays For It", Forbes, 27 Sep 2022, https://www.forbes.com/advisor/personal-finance/who-pays-for-student-loan-forgiveness.

**The government has two options to reduce the deficit: Decrease spending or raise taxes.** That, according to some policy analysts, is how the cost will eventually make its way to the general public. **"There are trade-offs and it's quite likely that if we spend this money on forgiving student loan debt we won't spend it on other things we want to see the government do,"** says Sandy Baum, nonresident senior fellow at the Urban Institute. **Spending cuts could potentially slash some of the most important social programs in the country.** In 2020, the Congressional Budget Office (CBO) released a report of various strategies the federal government could use to lower its deficit. These included c**utting down on vital programs, including eliminating free and reduced school lunches or raising the full retirement age for Social Security.** That means some of Biden's social initiatives, like **universal Pre-K or guaranteed parental leave, could have a tough time becoming law in the future.**

**Warrant:** Politicians have put social welfare programs on the chopping block as a way to reduce the federal deficit.

Kearney, Melissa and Luke Pardue. "Is Cutting the Safety Net an Effective Way to Reduce Government Spending?", EconoFact, 24 May 2023, https://econofact.org/is-cutting-the-safety-net-an-effective-way-to-reduce-government-spending.

**High-stakes negotiations over the debt limit center on ways to bring government spending more in line with government revenues.** The political contours of the debate have excluded cuts to Social Security and Medicare from consideration, as well as the possibility of raising taxes. With these options off the table, much of what is left to consider for budget cuts is a series of programs that provide services and support to low-income individuals and families. **Some congressional policy makers are suggesting that federal spending cuts should come from tightened eligibility and reduced spending on programs whose primary function is to provide health insurance, food purchasing support, and conditional cash assistance to low-income individuals and families with children.** How significantly would cuts to spending on the three programs at the center of the discussion — Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and the Temporary Assistance for Needy Families (TANF) — contribute to an overall reduction in federal government spending? And would the fiscal savings come at a long-term economic cost? **Evidence shows that the type of income assistance provided by these programs to children from low-income families yields long-term economic benefits by improving their health, educational attainment, and economic self-sufficiency into adulthood.**

**Impact:** Federal welfare programs that focus on children have been shown to reduce child poverty by as much as 50%.

Kearney, Melissa and Luke Pardue. "Is Cutting the Safety Net an Effective Way to Reduce Government Spending?", EconoFact, 24 May 2023, https://econofact.org/is-cutting-the-safety-net-an-effective-way-to-reduce-government-spending.

**Relatively modest increases in spending on children's benefits,** when compared to the level of spending on older Americans, **have been shown to have a powerful effect on reducing child poverty.** Spending on children increased temporarily in 2020 and 2021, through expanded SNAP benefits and an enhanced, fully refundable Child Tax Credit

(CTC). Spending on SNAP increased modestly from 2.1% of outlays in 2015 to 2.4% in 2022, and the CTC increased from 0.56% of outlays in 2015 to 2.21% in 2022. **This spending proved powerful in reducing material hardship among children, with measures of child poverty falling by 50% in 2021. The enhanced CTC itself is estimated to have cut food insufficiency by 25%.** Both measures have since expired, however, and federal spending is set to return to shares seen before the pandemic.

**Impact:** Social welfare funding cuts could impact 10 million children.

Kearney, Melissa and Luke Pardue. "Is Cutting the Safety Net an Effective Way to Reduce Government Spending?", EconoFact, 24 May 2023, https://econofact.org/is-cutting-the-safety-net-an-effective-way-to-reduce-government-spending.

**Funding cuts that reduce spending on children's health insurance and nutrition come at a social cost. More than 10 million U.S. children — 14.4 percent — lived in poverty in 2019,** according to government statistics. **Income assistance programs like SNAP and TANF, as well as access to health insurance through Medicaid, are a crucial source of resources for this large share of children, improving their current conditions while also bringing future returns. Evidence from academic research shows that Medicaid spending on children improves their long-term health and economic outcomes, ultimately saving the government money. In other words, this spending constitutes an investment in our nation's youth and future workforce. Similarly, research has documented that access to SNAP benefits for low-income children leads to long-term improvements in health and economic self-sufficiency, and is a cost-effective investment in young children.**

**Analysis:** This is an argument with a great long term impact that forces the other side to consider the sacrifices that will have to be made in order to fund student loan forgiveness. Even if student loan forgiveness helps people in the short term, the program will negatively impact children on public benefits, increasing poverty in the long term.

## CON: Debt forgiveness tanks Biden's political capital.

**Argument:** Total debt forgiveness forces Biden to expend all of his political capital and energy on that one policy. This leads to concessions on other political issues that might create negative impacts surrounding welfare policies, environmental policies, and others.

**Warrant:** Total debt forgiveness is politically lofty and bold.

Cohen, Michael D. "The political cost of eliminating student debt", The Hill, 1 May 2022, https://thehill.com/opinion/campaign/3472970-the-political-cost-of-eliminating-student-debt/.

**Forgiving most or all of the nearly $1.75 trillion in federal student loan debt is one of the boldest, and most expensive, proposals** remaining on President Joe Biden's domestic agenda. **Given where Biden's support came from in 2020, it is also the most politically risky.** In cementing the Democratic nomination for the presidency Joe Biden proposed forgiving "a minimum of $10,000/person of federal student loans, as proposed by Sen. [Elizabeth] Warren and colleagues." This was widely viewed as a way to offer something tangible to young voters, and that bet appeared to have paid off in the general election.

**Warrant:** The recent debt ceiling deal between Biden and McCarthy proves that Biden had to make key concessions in order to keep student loan forgiveness as a top priority.

Kapur, Sahil. "Debt ceiling deal details: What does the Biden-McCarthy bill include?", CBS News, 29 May 2023, https://www.nbcnews.com/politics/congress/debt-limit-bill-key-provisions-biden-mccarthy-deal-avert-default-rcna86664#.

**What do House Republicans get? The bill would rescind about $28 billion in unspent Covid relief funds. It would eliminate $1.4 billion in IRS funding and shift about $20 billion of the $80 billion provided to the agency through the Inflation Reduction Act to non-defense funds.** It would restart federal student loan payments after a lengthy "pause" that began at the start of the pandemic. **It would also slap work requirements for Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families benefits on people up to 55 years old** (the current threshold is 50), with carve-outs for veterans and homeless people. **The bill would overhaul the National Environmental Policy Act to streamline permitting for projects;** House Republicans tout it as "the first significant reforms to NEPA since 1982." What's in it for Democrats? The White House is touting it as a budget deal — not a ransom payment for a debt ceiling extension — and emphasizing the modesty of the spending cuts even though it faces a GOP-led House. It also notes that the bill would make "no changes to Medicaid" and leave Social Security and Medicare untouched. **The White House says the bill would fully preserve the climate and clean energy provisions of last year's Inflation Reduction Act and leave Biden's executive action on student debt forgiveness untouched.**

**Warrant:** Total student loan forgiveness is politically contentious.

Lonas, Lexi. "Senate passes measure to halt Biden's student debt forgiveness", The Hill, 1 June 2023, https://thehill.com/homenews/education/4030071-senate-passes-measure-to-halt-bidens-student-debt-forgiveness/.

**Biden's proposal, however, is still at the mercy of the conservative-leaning Supreme Court, which seemed highly skeptical of it during oral arguments earlier this year. While student debt forgiveness has strong support among progressives, its bicameral rejection would not have been possible without help from moderate Democrats.** In a statement, Manchin said the nation "simply cannot afford to add another $400 billion to the national debt." "There are already more than 50 existing student loan repayment and forgiveness programs aimed at attracting individuals to vital service jobs, such as teachers, health care workers, and public servants. This Biden proposal undermines these programs and forces hard-working taxpayers who already paid off their loans or did not got to college to shoulder the cost," he said.

**Warrant:** Student loan forgiveness is not bipartisan; it requires democrats to take political risks.

Harris, Douglas N. "Democrats' high-wire act on student loan forgiveness", Brookings Institute, 20 Sep 2022, https://www.brookings.edu/articles/democrats-high-wire-act-on-student-loan-forgiveness/

But, really, this announcement is just the beginning. **Turning this announced policy into productive practice will be a complex, high-wire act if ever there was one—there are risks on the left and the right that could lead Democrats to fall off the wire** but also a narrow possible path forward where they can stay on it. Really, it's three different high-wire acts in one: legal, rhetorical, and political. **On the legal front, there is a question of constitutionality. On the rhetorical front, Democrats can't seem to agree on why they are doing this, and some of their arguments play into Republican hands. On the political front, there are issues beyond just how much this energizes the Democratic base.** In particular, few seem to have realized yet that a large share of the fiscal cost, in the long run, will go not to immediate loan forgiveness, but to what is, in effect, a large new federal grant program. The Legal High-Wire Act. **The most immediate issue is the reasonable chance that the policy will never go into effect.** Opponents are looking for a plaintiff who has legal standing to make a case. At issue is that the executive authority that Biden claims to provide this loan forgiveness comes partly from the Higher Education Relief Opportunities for Students Act of 2003, which grants the education secretary the power to "alleviate hardship" in a time of national emergency.

**Impact:** Democratic concessions impact long term progressive policies like less strict requirements for SNAP and Medicaid.

Folley, Aris. "Jittery Democrats worried about Biden debt ceiling concessions", The Hill, 17 May 2023, https://thehill.com/homenews/house/4007544-jittery-democrats-worried-about-biden-debt-ceiling-concessions/.

**Liberals are growing increasingly jittery about what concessions President Biden may make in debt ceiling negotiations** with Speaker Kevin McCarthy (R-Calif.). While the party has been largely unified behind the White House's strategy in the talks, more **Democrats are voicing worries about what could be on the chopping block in order to keep the nation from defaulting on its debt. "I'm concerned because the president has, every now and then, moved to the right, if you will**, to acquiesce to a so-called independent voter, and the American people want us to be bold and to stand firm," Rep. Jamaal Bowman (D-N.Y.) told reporters on Tuesday. "And to make sure we're following through on our promises." **His comments add to a growing chorus of Democrats who are showing uneasiness in recent days about where the bipartisan talks over the nation's borrowing limit could be headed.** Biden spooked many in his base over the weekend when he appeared to open the door to stricter work requirements for certain federal assistance programs. Pressed by reporters on whether he was open to the idea as part of bipartisan debt limit discussions, **Biden acknowledged voting for "tougher aid programs that's in the law now," but said "for Medicaid, it's a different story."** "And so I'm waiting to hear what their exact proposal is," Biden added. The White House spent Monday seemingly trying to walk back the remarks. **But his comments have left some Democrats worried about where GOP-backed proposals to beef up work requirements for other programs like Supplemental Nutrition Assistance Program (SNAP), also known as the food stamps program, fit in ongoing negotiations.**

**Impact:** Democratic concessions could reduce low-income Americans' access to food stamps.

Popli, Nik. "Here's What's in the Debt Ceiling Deal", Time, 29 May 2023, https://time.com/6283225/debt-ceiling-deal/.

**In a major win for Republicans, the debt ceiling deal institutes new work requirements for low-income Americans who receive food assistance under the Supplemental Nutrition Assistance Program** (SNAP), formerly known as food stamps. **The deal raises the age limit until which able-bodied, low-income adults without dependents would be required to work to receive food stamps, from 50 to 54.** The expanded restrictions would expire in 2030. Biden's negotiators were able to secure some exemptions for homeless people and veterans, whose circumstances can make it difficult to comply with the program's work requirements. But **the agreement on work requirements is seen as a significant concession by Democrats, who had initially rejected the proposed change and said it would lead to fewer people being able to afford food but not actually increase job participation.** The deal also modifies the formula used by states to calculate cash assistance for low-income households under the Temporary Assistance for Needy Families program, but no changes to Medicaid were made.

**Analysis:** This argument is strategic because it is very relevant to current politics. The debt ceiling deal agreed upon in May proves that student loan forgiveness requires key concessions, and the pro side has the burden to prove the pros of debt forgiveness outweigh the cons of key political concessions.

## CON: Debt forgiveness causes tuition inflation.

**Argument:** Colleges will charge higher prices in order to off-set the impacts of student loan forgiveness. This makes college less accessible to low-income Americans.

**Warrant:** Empirically, student loan forgiveness has led to higher tuition costs.

McCluskey, Neal. "Canceling Student Debt Could Inflate College Prices? Suddenly, People Don't Like It", Cato Institute, 1 Sep 2022, https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it.

This is hard to prove empirically because colleges' costs are directly tied to the money they spend, so it is plausible their costs rise independently of aid. That said, **many studies have found an inflationary effect, including one from the Federal Reserve Bank of New York that found that for every dollar increase in "subsidized" student loans colleges raised their prices 60 cents.** Frankly, statistical research is not necessary to see this. One need only ask oneself, could colleges charge what they currently do, and have their current enrollment, without the aid that is nearly ubiquitous? Of course not. **The logic and evidence of aid fueling higher prices applies to mass debt cancellation. With the precedent set that debt will be cancelled whenever a president deems it too burdensome, both colleges and students can reasonably expect generous forgiveness in the future. That could encourage schools to raise prices even higher because students will see a good chance they'll never have to fully repay.**

**Warrant:** Biden's student loan forgiveness plan creates a loophole that allows colleges to charge higher tuition.

Daniel, Will. "There's a giant loophole in Biden's student-debt relief that could make college even more expensive. Here's how it works", Fortune, 30 Aug 2022, https://fortune.com/2022/08/30/biden-student-loan-forgiveness-loophole-college-tuition-rise-idr/.

But **the program also includes changes to the federal income-driven repayment (IDR) system that could incentivize universities to charge higher tuition.** IDR plans set students' monthly loan payments based on their post graduation income. Existing plans require borrowers to pay 10% to 20% of their income annually for two decades, after which the remainder of their loan is forgiven. Between 2010 and 2020, the percentage of federal student borrowers enrolled in an IDR program surged from 10% to 32%. **Under the Biden administration's student loan forgiveness plan, IDR borrowers will now pay just 5% of their income for undergraduate loans and 10% for postgraduate loans for a period of 10 or 20 years, depending on how much is owed. The plan will also increase the amount of income that isn't subject to the IDR from 150% above the poverty line to 225% and eliminate any accrual of interest under the plans.** The issue here is incentives. The IDR plan makes it so that no matter the loan amount, student borrowers make the same payments—5% or 10% of their post graduation income annually for a period of 10 or 20 years—**thereby incentivizing students to borrow as much money as possible, critics say. This, in turn, incentivizes universities to charge as much as they can because they aren't worried about borrowers being unable to make their payments.**

**Warrant:** Student loan forgiveness is regressive; incentivizes colleges to charge more and push students to borrow more.

Hess, Frederick. "Why Biden's Student Loan Forgiveness Plan Could Lead To Higher College Costs", Forbes, 19 Oct 2022, https://www.forbes.com/sites/frederickhess/2022/10/19/bidens-student-loan-forgiveness-is-a-recipe-for-college-price-inflation/?sh=240b2cc54bae.

**Biden's proposal gets the incentives wrong. It encourages borrowing and makes it easier for colleges to raise prices.** Given the possibility that borrowing costs might be wiped away, college-goers might have an excuse to attend that pricier school, not work an evening job, or go ahead and pursue that master's degree. And **colleges might have reason to reassuringly nudge students to borrow more.** While $20,000 won't cover even one year of a pricey undergraduate or graduate program, it's easy for the allure of free money to nudge such details aside. In response to the lawsuits, Biden's Department of Education has initiated a series of arbitrary adjustments. It retroactively changed the rules of the just-announced program and excluded about four million borrowers who hold older Federal Family Education Loan Program loans, suggesting how ad hoc and extra-legal the whole exercise is. Biden could have worked with Congress, and included student loan forgiveness in his $1.9 trillion spring 2021 Covid package. Instead, **the relief plan disperses aid in a manner that may aggravate the spiraling costs of college and hurt members of the middle class.**

**Warrant:** Schools will preemptively raise tuition in order to counteract future debt forgiveness initiatives.

Morrow, Allison. "Tuition costs are out of control. Canceling student debt won't fix that", CNN, 28 Aug 2022, https://www.cnn.com/2022/08/28/business/tuition-costs-biden-student-loans/index.html#.

That's why some critics of the Biden administration's student debt relief worry about the precedent it sets. **If the government creates an expectation that debts are likely to be forgiven, universities won't hesitate to raise tuition. Students may take on more**

**debt, expecting some of it will eventually be wiped clean. Bottom line, canceling debt certainly doesn't push tuition costs down.**

**Warrant:** Even if tuition prices don't go up, they're already unaffordable. Loan forgiveness doesn't solve the root of the problem.

Smith, Michael D. "Student loan forgiveness won't rein in tuition costs", The Hill, 9 Jun 2022, https://thehill.com/opinion/education/3517622-student-loan-forgiveness-wont-rein-in-tuition-costs/.

Both sides make valid points. But **neither side is addressing the underlying problem: the skyrocketing cost of higher education. Since 1978, college tuition has increased by 1,375 percent, more than four times the rate of inflation. By focusing on debt forgiveness rather than what caused the debt, we're treating the symptom rather than the disease.**

**Impact:** Unaffordable college prices impact low-income students the most.

Marcus, Jon and Fazil Khan. "Many colleges raised tuition for low-income students. Why did wealthier peers get more aid?", USA Today, 27 Mar 2023, https://www.usatoday.com/story/news/education/2023/03/27/colleges-raised-low-income-students-tuition-more/11507903002/#.

Lower-income students generally still pay less than higher-income ones. But t**he increase in college costs is falling more heavily on families that are likely the least able to absorb it,** as federal and state financial aid fails to keep up with rising prices and **colleges shift institutional aid to wealthier families they know can pay at least a part of the tuition. "Those increases can really make or break a student staying in college,"** said Scott Del Rossi, vice president of college and career success at College Possible, which helps low-income and racial minority students go to and through college. "Do they put it on their credit card? Do they just give up?" Historic trends in net price by income and other information about universities and colleges nationwide are available in The Hechinger Report's newly updated Tuition Tracker tool. **At 2 out of 3 colleges and universities where the net price increased for both low- and high-income students over the past decade** – that is, the amount paid after discounts and financial aid – **it rose faster for the lowest-income students: about 70% versus 27%, on average, the federal data shows.**

**Impact:** Advanced education creates social mobility; unaffordable tuition keeps low-income students trapped in poverty.

Conroy, Edward. "Most Colleges Are Unaffordable For Low-Income Students", Forbes, 16 Nov 2022, https://www.forbes.com/sites/edwardconroy/2022/11/16/most-colleges-are--unaffordable-for-low-income-students/?sh=516febbc1fad.

Student loan forgiveness has taken up most of the airtime in higher education over the past year and at the moment, faces an uncertain future after two court cases have put the plan on hold. Unfortunately, those student loan balances have been partially driven by a lack of affordable higher education choices for students, especially students from low-income backgrounds. **Higher education is one of the best routes out of poverty for students from low-income households, but far too few colleges are affordable for the students who benefit the most from a college education. Public institutions are meant to be the affordable choice for students who do not have the luxury of being able to cover tens of thousands of dollars in tuition without blinking. Unfortunately, only 24 percent of four-year and 40 percent of two-year public colleges can be considered affordable** based on a new report from the National College Attainment Network (NCAN). Students end up with too much loan debt when the supposedly affordable choices are no longer that.

**Analysis:** The con side of the debate really has to prioritize long term impacts. The pro side can paint a really nice picture of the short term impacts of student loan forgiveness, but the long term impacts of higher tuition actually worsen the issues of the status quo. Even if the pro side argues tuition won't go up, they don't solve for the fact that college prices are already too high and not going down.

## CON: Debt forgiveness encourages more borrowing.

**Argument:** Student loan forgiveness creates the expectation that college loans do not have tangible consequences and students can borrow without long term impacts. This creates a moral hazard that encourages students to borrow more, worsening problems of high debt like the inability to buy a house and stress on social programs.

**Warrant:** Student loan forgiveness, as a one-time policy, sets a dangerous expectation that loans do not have consequences.

Greig, Fiona and Daniel M. Sullivan. "Who Benefits from Student Debt Cancellation?", JPMorgan Chase & Co, Mar 2021, https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-cancellation#finding-5.

5. Debt cancellation may create moral hazard problems if people believe there will be future debt cancellations. **If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise.** A policy with a hard income limit may also induce people to adapt to the cut off—the limit could create a marginal incentive to reduce work or to cut reported income in other ways. However, a one-time cancellation based on already filed tax documents could lessen these problems, insofar as the government can convince the public the cancellation is a one-time action. However, **if cancellation is not coupled with some reduction of the ongoing economic pressures that caused the accumulation of debt in the first place, claims of a "one-time" cancellation are less credible, increasing the chance of moral hazard problems.**

6. **One-time student loan forgiveness addresses the stock of student loan debt today but does nothing to reduce the amount of debt accrued tomorrow.** As noted above, even in the most generous cancellation scenario, student loan debt would total over

$900 billion, roughly on par with 2012 levels. **Any economic forces that contributed to the current stock of student debt today, such as increasing tuition costs and increasing enrollment among low-income families, will continue to push tomorrow's students to accumulate debt. Any long-term solution to relieving students is incomplete without addressing these underlying forces.**

**Warrant:** Students might make unwise financial decisions about attending more expensive colleges if they think their debt will be forgiven.

University of Pennsylvania. "FORGIVING STUDENT LOANS: BUDGETARY COSTS AND DISTRIBUTIONAL IMPACT", Penn Wharton, 23 Aug 2022, https://budgetmodel.wharton.upenn.edu/issues/2022/8/23/forgiving-student-loans#:~:text=If%20student%20loan%20debt%20forgiveness,a%20harder%20time%20with%20repayment.

**If student loan debt forgiveness is ongoing, students might eventually reorganize their financing toward additional borrowing. Moreover, more students might choose to attend qualifying education providers, including students who might otherwise have a harder time with repayment.** The inclusion of these two effects could, to some extent, make the program a bit more progressive while increasing budgetary costs. A third effect could also emerge: some of the benefit from debt forgiveness might be captured by colleges themselves in the form of higher prices (both tuition and net). We will continue to examine these issues as specific legislation proceeds.

**Warrant:** Loan forgiveness creates a moral hazard and encourages risk.

George, Aubrey and Thomas A. Lubik. "Student Debt Cancellation Raises the Price Level and Inflation", Federal Reserve Bank of Richmond, 11 Oct 2022, https://www.richmondfed.org/research/national_economy/macro_minute/202

2/mm_10_11_22#:~:text=Expectation%20of%20additional%20debt%20forgiveness,universities%20to%20increase%20tuition%20rates.

In addition, at the time of this writing, there are legal challenges proceeding that may prevent debt forgiveness from being implemented at all. There could also be some stimulating impact, as the debt cancellation could free up borrowers' cash flow, and the additional spending may create more tax revenue. **However, at the same time, this is also likely to be inflationary. Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates.** To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future. The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation proposal.

**Warrant:** Federal loan forgiveness makes taking out loans seem more attractive, even though it's still costly.

Looney, Adam. "Biden's Income-Driven Repayment plan would turn student loans into untargeted grants", Brookings Institute, 15 Sep 2022, https://www.brookings.edu/articles/bidens-income-driven-repayment-plan-would-turn-student-loans-into-untargeted-grants/.

In the past it made sense for students to minimize borrowing in most circumstances. As recently as 2017, **CBO projected that student loan borrowers would, on average, repay close to $1.11 per dollar they borrowed** (including interest). **Borrowing was often perceived to be the least favorable way to pay for college. But under the administration's IDR proposal** (and other regulatory changes), u**ndergraduate borrowers who enroll in the plan might be expected to pay approximately $0.50 for**

**each $1 borrowed—and some can reliably expect to pay zero. As a result, borrowing will be the best way to pay for college. If there's a chance you'll not need to repay all of the loan**—and it's likely that a majority of undergraduate students will be in that boat—**it will be a financial no-brainer to take out the maximum student loan.** Even borrowers who expect to pay the loan will benefit from subsidized interest rates applied when paying less than the full amount. (For example, because IDR is based on the information in your last available tax return, any student who earned less than 225% of the poverty line while enrolled would not have to make payments for the first one or two years after graduation and would thus benefit from an automatic one- or two-year interest-free loan.)

**Impact:** Student loan debt negatively impacts consumers' credit scores, ability to purchase a home, and increases reliance on social welfare programs.

Hanson, Melanie. "Economic Effects of Student Loan Debt", Education Data Initiative, 20 Sep 2023, https://educationdata.org/student-loan-debt-economic-impact#:~:text=Consumers%20with%20student%20loan%20debt,afford%20to%20buy%20a%20home..

Debt Hampers Housing Markets. **Consumers with student loan debt have lower credit scores on average and are more likely to live with their parents. Students with outstanding loan payments are 36% less likely to purchase a house.** 13.32% of millennial renters indicate they will never be able to afford to buy a home. In 2019, 8.28% said they would never be able to buy a home. In two years, the rate of millennial renters giving up on homeownership increased by 60.9%. The national homeownership rate hit its peak in 2004 at 69.2%. Homeownership declined 1.1% in the 2010s; its low was 62.9% in 2016. The rate of homeownership has increased 9.6% since 1964. **Debt Stresses Social Programs. As more Americans take on greater amounts of student loan**

**debt, they rely on social programs to make ends meet. 1 out of every 5 recipients of food stamps (SNAP) holds a postsecondary degree.**

**Analysis:** This is a more unique argument that the pro side might have a harder time finding answers to. While it is harder to provide exact numbers on, it does speak to the psychology of student loan forgiveness and the unintended consequences it might have. It can also be used to explain that student loan forgiveness doesn't actually solve the problems that debt creates for consumers.

## CON: Debt forgiveness increases taxes.

**Argument:** In order to pay for total debt forgiveness, taxes will go up in two ways. First, states can charge loan forgiveness as extra income, creating a burden on low-income families. Second, the federal government might raise taxes in order to decrease the federal deficit. These tax increases will hurt low-income families the most.

**Warrant:** Student loan forgiveness would cost taxpayers $400 billion.

Claybourn, Cole. "Biden's Student Loan Forgiveness Plan: Your Questions Answered", US News, 2 Dec 2022, https://www.usnews.com/education/best-colleges/articles/federal-student-loan-forgiveness-your-questions-answered.

Student loan borrowers on average carry about $30,000 in debt, including federal and private loans, according to U.S. News data. The Biden Administration's plan would bring debt relief to millions of borrowers and cancel the remaining balance for roughly 20 million borrowers, according to the U.S. Department of Education. However, **the plan could cost taxpayers upward of $300 billion to $400 billion over the next decade,** according to the Education Department.

**Warrant:** Student loan forgiveness could spur surprise charges on low-income Americans receiving benefits, costing them as much as 5% of their total income.

Blom, Erica, et. al. "Understanding the Tax Implications of Student Debt Forgiveness", Urban Institute, 10 Mar 2021, https://www.urban.org/urban-wire/understanding-tax-implications-student-debt-forgiveness.

**The additional taxes owed could be unduly burdensome for many low-income borrowers.** Consider the median borrower in the second income quintile, earning between $25,000 and $43,000 a year. Under the 10K plan, she would face an additional $1,200 in federal income tax burden. Under the 50K plan, this same borrower would owe nearly $4,200 in additional federal income taxes on $25,760 of forgiveness. For perspective, nearly half of borrowers in this income quintile can't cover the amount owed under the 10K plan from money in their checking and savings accounts. **We also consider the likely burden of the tax cost of loan forgiveness by calculating it as a share of income. For more than three-fifths of borrowers in the lowest income quintile, their additional tax burden under the 10K plan would represent more than 5 percent of their income, and for nearly one-fifth, it would represent more than 10 percent. For low-income households receiving the EITC, the impact could be especially difficult. Roughly 14 percent of households with student debt pay negative income tax, largely because of the EITC. Many of these households plan their spending around that additional income, but more than 90 percent of them would see that refund shrink, and more than a quarter would owe taxes, rather than receiving a check. This sudden loss of income comes suddenly and without a choice—unlike additional tax liability, which can be optionally spread over time via an installment plan (albeit with interest).**

**Warrant:** Four states have already decided to tax loan forgiveness as income -- creating billions in revenue.

Brill, Alex and Grant M. Seiter. "Student borrowers in these 13 states may owe taxes on Biden's debt relief", CBS News, 19 Sep 2022, https://www.aei.org/uncategorized/president-bidens-student-loan-forgiveness-the-impact-on-state-tax-revenues/.

**A total of $4.8 billion in state tax revenues is possible if all seven states choose to treat student loan forgiveness as income. The four states that have already decided to tax**

**this income will raise $1.9 billion in revenue, and California stands to raise $2.2 billion if it makes the same choice.** Figure 2 reports the potential revenue gain relative to each state's 2021 individual income tax collections and general revenues. The variation in results between states is a function of the magnitude of eligible loans and state tax parameters. **States could raise between 0.9 percent (California) and 2.6 percent (Mississippi) of last year's general revenues and between 1.3 percent (California) and 7.9 percent (Mississippi) of last year's income tax revenues.**

**Warrant:** Loan forgiveness could add tax bills as high as $1,100 for some families.

Brooks, Khristopher J. "President Biden's Student Loan Forgiveness: The Impact on State Tax Revenues", American Enterprise Institute, 31 Aug 2022, https://www.cbsnews.com/news/student-loan-relief-triggers-state-taxes-mississippi//.

**The Biden administration's plan to forgive up to $20,000 in student loan debt is slated to lift a financial burden from millions of Americans. Yet the plan could add tax bills as high as $1,100 for borrowers in some states,** according to a recent Tax Foundation analysis. **That may catch some borrowers by surprise, given that the Biden administration noted its loan forgiveness won't be considered federal taxable income under a provision of the American Rescue Plan Act. That law, however, doesn't exempt loan forgiveness at the state level,** although some states will likely follow the federal law in their treatment of the loan relief, the think tank said. **As many as 13 states may consider Biden's loan forgiveness to be taxable income, socking borrowers who receive up to $10,000 in loan forgiveness with a tax bill of between $300 to $1,100,** according to the Tax Foundation. That could change, as some states may eventually side with the federal government's decision to make the debt relief nontaxable, but borrowers may want to consult their tax preparers in the meantime, the group noted.

**Warrant: Income taxes could be increased and tax credits could be reduced as a result of student loan forgiveness.**

Smith, Kelly Anne and Korena Bailie. "Canceling Student Debt Isn't Free. Here's Who Pays For It", Forbes, 27 Sep 2022, https://www.forbes.com/advisor/personal-finance/who-pays-for-student-loan-forgiveness.

**Raising taxes to increase revenue could also have an impact. Not only could individual income tax rates be increased, but the CBO report suggested decreasing or repealing popular tax credits and deductions, including limiting deductions for charitable giving, as steps the government could take to increase revenues.** President Biden has vowed to not raise taxes on the middle class, but future administrations may decide differently. **Those in favor of canceling federal student loans say that the people who will benefit the most from cancellation shouldn't be the ones paying for it.** "We should increase taxes on corporations, high earners and the wealthy," says Charlie Eaton, cofounder of the Higher Education, Race and the Economy (HERE) Lab at the University of California. "Those folks should pay more because they have benefitted from having a more educated workforce that produces the wealth that they have accumulated."

**Impact: Ta**xes impact low-income Americans and marginalized communities the most, worsening inequlity.

Hellman, Melissa, et. al. "How state taxes make inequality worse", The Center for Public Integrity, 14 Sep 2022, https://publicintegrity.org/inequality-poverty-opportunity/taxes/unequal-burden/taxes-inequality-worse-progressive-tax/.

**The lowest-earning residents in Washington state,** where Baltazar lives, **pay almost 18% of their annual incomes in state and local taxes,** while the wealthiest chip in 3%. **All but a handful of states make poor residents contribute a greater share of their**

**income to taxes than wealthy people do.** Economists call that upside-down approach "regressive." **Nationwide, the share the lowest-income earners pay to state and local taxes is 54% higher than what the top earners pay,** according to the Institute on Taxation and Economic Policy. **And those policies hit communities of color the hardest. Undocumented immigrants contribute billions of dollars in state and local taxes,** according to estimates by ITEP and other groups, but aren't eligible for many tax-funded services or tax rebates. Studies show assessors tend to inflate property tax assessments of low-priced properties, disproportionately owned by Black and Latino people. The higher tax bills increase the odds of what Baltazar feared — losing your home. All this means **state and local tax systems that could help address America's widening economic inequality are instead making the problem worse. The federal system also increases inequality, with legal loopholes giving very high-net-worth people massive tax breaks.** But the Internal Revenue Service doesn't force low-income residents to shoulder the biggest relative burden. Most states do.

**Analysis:** This argument is another good way to press the pro side on the way student loan forgiveness will be funded. Also, this is a good short term impact for the con. Even if student loans are forgiven, low-income families will have to immediately pay more in taxes.

## CON: Debt forgiveness reduces the value of college degrees.

**Argument:** Forgiving student debt reduces competition among colleges for scarce tuition dollars. This diminishes the incentive to offer high-quality degrees, thereby devaluing a college education. This phenomenon is called degree inflation.

**Warrant:** Debt forgiveness creates bad incentives for colleges.

Webber, Doug. "To Ease the Student Debt Crisis, Hold Colleges Responsible." Five Thirty Eight. Apr. 2017. https://fivethirtyeight.com/features/to-ease-the-student-debt-crisis-hold-colleges-responsible/

In recent years, the public debate over student debt has often focused on the roles of the students who are borrowing the money and the government policies that encourage that borrowing. But there is also another key element of the equation: the colleges themselves. **Colleges and universities benefit from the federal student debt system, which lets far more students afford tuition than otherwise could. But they shoulder none of the financial risk that comes with that debt; they get paid just as much regardless of whether students pay off their loans on time. In the most extreme examples, these misaligned incentives have led to outright fraud and other bad behavior by some schools. Corinthian Colleges, one of the biggest players in for-profit higher education, shut down in 2015 amid allegations it had misled students and the government about its students' graduation rates and employment prospects.** Another big, for-profit college, ITT Technical Institute, closed its doors last year after similar allegations.

**Warrant:** Colleges have no incentive to help students avoid failing

Webber, Doug. "To Ease the Student Debt Crisis, Hold Colleges Responsible." Five Thirty Eight. Apr. 2017. https://fivethirtyeight.com/features/to-ease-the-student-debt-crisis-hold-colleges-responsible/

The real issue, though, isn't outright fraud — it's that colleges are partially insulated from basic market forces, and they behave accordingly. They have financial incentives to enroll as many students as possible, and little incentive — or at least, little direct financial incentive — to ensure that those students will graduate on time and find jobs that pay well enough to repay their loans. The issue is particularly acute at less selective institutions including, but not limited to, for-profit colleges. One proposed reform to the student loan system that has bipartisan support is known as risk-sharing. In its simplest form, a risk-sharing system would directly tie an institution's finances to the outcomes of its students. For instance, institutions could be subject to a penalty of 5 percent of the loans taken out by students who are later unable to repay their loans.

**Warrant:** Degrees are less valuable than ever

Clark, Peter. "Why College Degrees Are Losing Their Value." FEE Stories. Dec. 2021. https://fee.org/articles/why-college-degrees-are-losing-their-value/

But due to a competitive job market where most applicants have degrees, many recent graduates have no means of distinguishing themselves from other potential employees. Thus, many recent graduates have no other option but to accept low-paying jobs. **The value of a college degree has gone down due to the vast increase in the number of workers who possess degrees. This form of debasement mimics the effect of printing more money. Following the Law of Supply and Demand, the greater the quantity of a commodity, the lower the value. The hordes of guidance counselors and parents urging kids to attend college have certainly contributed to the problem**. However, public policy has served to amplify this issue.

**Warrant:** Making college cheaper exacerbates the problem

Clark, Peter. "Why College Degrees Are Losing Their Value." FEE Stories. Dec. 2021. https://fee.org/articles/why-college-degrees-are-losing-their-value/

**Various kinds of loan programs, government scholarships, and other programs have incentivized more students to pursue college degrees. Policies that make college more accessible—proposals for "free college," for example—also devalue degrees. More people attending college makes degrees even more common and further depreciated.** Of course, this not to say brilliant students with aspirations of a career in STEM fields should avoid college. But **for the average student, a college degree may very well be a malinvestment and hinder their future.** Incurring large amounts of debt to work for minimum wage is not a wise decision. **When faced with policies and social pressure that have made college the norm, students should recognize that a college degree isn't everything.** If students focused more on obtaining marketable skills than on credentials, they might find a way to stand out in a job market flooded with degrees.

**Analysis:** This argument is good way to show that student debt forgiveness is a part of the problem, not the solution. Make the case that the only way to stop student debt in the long term is to fight credential inflation, not to enable it.

## CON: Debt forgiveness discourages systemic reform.

**Argument:** Substantial structural changes are necessary to reduce the long-term cost of college. These are intricate policies that require lots of political capital to pass. Debt forgiveness saps that energy towards reform by providing an easy solution to a complicated problem.

**Warrant:** College tuition control requires complex policy engineering

Levine, Philip. “College prices aren’t skyrocketing—but they’re still too high for some.” Brookings. April 2023. https://www.brookings.edu/articles/college-prices-arent-skyrocketing-but-theyre-still-too-high-for-some/

These data confirm that lower- and middle-income students pay a net price that is typically much less than the sticker price. And net prices have actually been falling, on average, in recent years, not rising. But the data also show that the net price many lower-income students must pay is still too high at most institutions. This lack of college affordability for lower-income students, not the dramatic rise in sticker prices which only higher-income students pay, is what should capture our attention. **There are several steps that should be taken to address these problems. First, we need better information regarding college costs that are specific to individuals’ financial circumstances. The focus on sticker prices is perhaps understandable since institutions are required by law to report it annually. Net prices are specific to the individual, and generating that information is difficult. Finding better ways to report and track net price is sorely needed. Re-labelling the sticker price as the “maximum cost of attendance” is an easy first step to help clarify misperceptions regarding college pricing. To reduce the net price for lower-income students, increasing the maximum size of Pell Grants** (the largest form of federal financial aid that does not need to be repaid) would go a long way towards fixing that problem.

**Warrant:** Pell grants need to be expanded

Levine, Philip. "College prices aren't skyrocketing—but they're still too high for some." Brookings. April 2023. https://www.brookings.edu/articles/college-prices-arent-skyrocketing-but-theyre-still-too-high-for-some/

Despite the public focus on sticker prices, discussions regarding college pricing should emphasize college affordability for lower- and moderate-income students more. This means focusing on net prices, which, for low-income students, are much lower than sticker prices. Without diminishing the difficulties that higher-income students may face in paying for college, the struggles lower- and moderate-income students experience are considerably greater. Elsewhere, I have argued for **doubling the Pell Grant to help overcome this problem. In addition to more financial support for low-income students, we need to address the lack of transparency in college pricing. Data on trends in college pricing needs to better represent the costs that lower- and moderate-income students face. Without such data, students, families, and policymakers cannot easily recognize the magnitude and nature of the college affordability problem, and efforts to fix it are often misdirected.**

**Warrant:** Degrees are less valuable than ever

Pethokoukis, James. "Think About Student Loan Reforms Rather Than Forgiveness." American Enterprise Institute. Sept. 2022. https://www.aei.org/economics/think-about-student-loan-reforms-rather-than-forgiveness/

Student loan cancellation is being sold as an intervention to bail out struggling borrowers who were made victims by our unscrupulous system of federal student lending. But it's hard, nay impossible, to reconcile that narrative with the actual implications of the policy. **If Biden were in it to help struggling borrowers, he'd be working with Congress to enact systemic reform that would make things better for future students: shoring up existing safety nets, streamlining repayment to minimize the hassle for borrowers, and avoiding driving up future borrowing and prices.** Instead, he's taking a step that's blatantly political. By canceling student debt through a one-time event rather than through thoughtful reform of the existing safety net, Biden will be driving students to borrow more and institutions to raise prices even faster than before.

**Warrant:** The government should pass policy to put the burden of student default on the schools

Pethokoukis, James. "Think About Student Loan Reforms Rather Than Forgiveness." American Enterprise Institute. Sept. 2022. https://www.aei.org/economics/think-about-student-loan-reforms-rather-than-forgiveness/

**Under the current system when a student defaults on their loan, the government effectively pays the tab. The government guarantees federal student loans under the current system. Under this proposed policy, it would be the individual schools who would be responsible for guaranteeing the loan. If you had a school that was essentially charging outrageous tuition and just trying to milk students, trying to get as much money out of them as they could without increasing their earnings capacity, then that type of school would probably have high default rates.** If they had to bear the cost of those higher default rates, they would have two options. One would be to run out of money. The other would be to lower the tuition such that the tuition matches the extra earnings capacity of the students, so the students can pay back and not default on their loans. One of the nice things about this policy is it doesn't really tie the hands of colleges. If delivering a quality education is very expensive, it would allow a college — say Harvard — to charge extremely high tuition, have huge student loans, and

> then have the students make a ton of money and pay those back. And the default rates can be low. It’s sort of screening what colleges are being productive and helping their students, and what colleges are really fleecing their students and not being productive.

**Analysis:** This argument is a strong way to show the judge that student debt forgiveness exists alongside many other policy solutions. Other solutions are better because they address the heart of rising student loan tuitions and can help many other students in the future.

## CON: Debt forgiveness increases wasteful spending.

**Argument:** Colleges are on a spending spree, and they are happy to have students foot the bill with money they get from federal student loans. When colleges increase their tuition and fees, this hurts students.

**Warrant:** Colleges are on a spending spree.

Korn, Melissa et al. “Colleges Spend Like There’s No Tomorrow. ‘These Places Are Just Devouring Money.’” The Wall Street Journal, 10 Aug. 2023, https://www.wsj.com/articles/state-university-tuition-increase-spending-41a58100.

**The nation’s best-known public universities have been on an unfettered spending spree. Over the past two decades, they erected new skylines comprising snazzy academic buildings and dorms. They poured money into big-time sports programs and hired layers of administrators. Then they passed the bill along to students.** The University of Kentucky upgraded its campus to the tune of $805,000 a day for more than a decade. Its freshmen, who come from one of America’s poorest states, paid an average $18,693 to attend in 2021-22. Pennsylvania State University spent so much money that it now has a budget crisis—even though it’s among the most expensive public universities in the U.S. The University of Oklahoma hit students with some of the biggest tuition increases, while spending millions on projects including acquiring and renovating a 32,000-square-foot Italian monastery for its study-abroad program. The spending is inextricably tied to the nation’s $1.6 trillion federal student debt crisis. **Colleges have paid for their sprees in part by raising tuition prices, leaving many students with few options but to take on more debt. That means student loans served as easy financing for university projects.** “Students do not have the resources right now to continue to foot the bill for all of the things that the university wants to do,” said

Crispin South, a 2023 Oklahoma graduate. “You can’t just continue to raise revenue by turning to students.”

**Warrant:** Federal aid enables colleges to do this – debt forgiveness is just another avenue.

Boaz, David. “Federal Student Loans and Rising Tuition Costs: An Insider Speaks Up.” The Cato Institute, 28 July 2021, https://www.cato.org/blog/federal-student-loans-
rising-tuition-costs-insider-speaks/.

A 2017 study from the Federal Reserve Bank of New York found that the average tuition increase associated with expansion of student loans is as much as 60 cents per dollar. That is, more federal aid to students enables colleges to raise tuition more. **Salaries rise; bureaucracies expand; more courses — from “History and Analysis of Rock Music” to “Ultimate Frisbee” — are offered; dorms, dining halls, and recreational centers become more lavish. Even with all this spending, employers don’t find that new grads are well prepared for the workplace.** But now, in addition to academic studies, we have an insider’s testimony. For a new book and a lengthy Wall Street Journal article, reporter Josh Mitchell talked to Al Lord, former CEO of Sallie Mae, then the quasi-government enabler of federal student loans. At the time Lord viewed student debt as a good investment for families, and he made Sallie Mae the biggest student lender. But now, in retirement, he has a confession to make. He joined the board of Penn State, and, Mitchell writes, “he had an epiphany: **Colleges were incredibly inefficient businesses, and the student-loan program enabled them.** He was stunned to learn how big Penn State’s budget was, about $5 billion [in 2014], and how quickly it grew. (Penn State’s budget is currently $7.7 billion.)”

**Impact:** Debt forgiveness paves the way for higher tuition rates – historical precedence proves.

Burke, Lindsey M. & Adam Kissel. "Why Biden's Student Loan Bailout Is Unfair." The Heritage Foundation, 29 Aug. 2022, https://www.heritage.org/education/commentary/why-bidens-student-loan-bailout-unfair.

The plan is an unfair handout to Big Education, which will gladly keep raising tuition, and a politically favorable constituency of relatively wealthy, more highly educated voters. The debt cancellation includes household income of up to $250,000, while the national median family income is only $80,000 (at best). Biden's boondoggle bailout will also, as Clinton-era Treasury Secretary Lawrence Summers recently pointed out, have both macro (whole-of-economy) and micro (tuition prices) inflationary effects. **History demonstrates that federal subsidies have enabled colleges to raise prices with abandon. Since the 1991-92 academic year, total federal aid (including student loans and grants) increased 295%. In response, colleges and universities more than doubled their tuition and fees in real terms.** Penn Wharton estimates the loan cancellation would cost at least $300 billion, with about 70% of the forgiveness going to the top 60% of households by income distribution. On top of that, every month federal taxpayers are losing $5 billion in accrued interest as a result of the separate, ongoing repayment moratorium.

**Impact:** Increased tuition costs prevent students from attending college.

Weissman, Sara. "Why Would-Be Students Aren't Choosing College." Inside Higher Ed, 28 Sep. 2022, https://www.insidehighered.com/news/2022/09/29/new-study-explores-why-people-drop-out-or-dont-enroll#:~:text=The%20study%20found%20that%2038,felt%20uncertainty%20about%20their%20career.

**A new study suggests that students choose to stop out of college and others choose not to enroll in the first place because of a range of "psychographics," or psychological factors, including doubts about the financial returns of a college education and an**

**awareness of other career training options outside traditional degree programs.** The study draws on responses from 11 focus groups and an online survey of 1,675 people between the ages of 18 and 30 who decided not to go to college or stopped out of a college program. The survey was fielded in March and April of this year and was conducted by HCM Strategists, a public policy and advocacy consulting firm, and Edge Research, a marketing research firm, with funding from the Bill & Melinda Gates Foundation. Terrell Halaska Dunn, a partner at HCM Strategies, said while enrollment has dropped precipitously during the pandemic, especially at community colleges, the declines have been occurring for more than a decade, and the goal of the study is to explore why. “We wanted to really try and understand what’s driving these enrollment drops,” she said. “What’s making people choose something other than college? We’ve been making the case, backed by data, that higher education provides the best opportunity for social and economic mobility, that a college degree really represents the best long-term value for people. So why aren’t those arguments persuasive with an increasing part of the population?” The study found that 46 percent of survey respondents planned on going or returning to college, while 41 percent felt unsure, and 13 percent did not plan to enroll at all. Of those planning to attend college, 15 percent expected to enroll within the next six months, 31 percent said within six months to a year and 37 percent said within one to three years. **People had a variety of reasons for not attending or completing college, including but not limited to financial barriers. The study found that 38 percent of students didn’t enroll because of fears about the cost of college and amassing debt, 27 percent felt college would be “too stressful” or “too much pressure,” 26 percent believed it was more important to work and earn money, and 25 percent felt uncertainty about their career trajectories and what they wanted to study.**

**Impact:** Many of the students who choose to pay struggle to meet their basic needs.

“The Increased Cost of College & Its Impact on Student Basic Needs.” Boise State

University, 5 May 2021,
https://www.boisestate.edu/deanofstudents/2021/05/05/the-increased-cost-of-college-its-impact-on-student-basic-needs/.

**Due to the fact that attending college is becoming more expensive, students are trying to save money in other ways.** This usually leads to food insecurity as well as housing insecurity. **Around 1 in every 3 college students in the U.S. lacks enough to eat as well as stable housing.** This affects students' ability to succeed academically. Food insecurity can look like students attending campus events only looking for food, reducing their food intake to make groceries last longer, skipping meals, purchasing less nutritious food, and deciding between buying textbooks or buying food. Housing insecurity can lead to students "couch surfing," sleeping in their cars, or even being homeless. **All these factors may cause anxiety and stress which can adversely affect mental health. More students will also seek out loans in order to cover some costs of college. However, an increased level of debt can leave certain students with a great disadvantage after graduating from college.**

**Analysis:** This argument is good because it allows you to agree that college costs are too high, student debt is bad, and a solution is necessary. What sets this argument apart from others is that you don't just say that the affirmative's solution won't work. You say that it is a valiant effort, but it actually makes things worse, and you can link in to all of their impacts and turn them to your side.

## CON: Debt forgiveness is unfair

**Argument:** Many Americans have already repaid their student debts without the help of the government. It would be unfair to offer current borrowers complete reprieve, as it would penalize those who already paid off their debts without government assistance.

**Warrant:** Americans think debt forgiveness is unfair to former borrowers.

Safier, Rebecca. “50% Say Mass Student Loan Forgiveness Unfair to Former Borrowers: Survey.” LendingTree, 29 April 2020, https://www.lendingtree.com/student/mass-student-loan-forgiveness-unfair-survey/#:~:text=When%20asked%20whether%20mass%20student,52%25%20compared%20with%2047%25)..

**Nearly half of Americans think mass forgiveness would be unfair. When asked whether mass student loan forgiveness would be unfair to former borrowers, 46% of respondents agreed.** Specifically, those who have already paid off their student debt were more likely to find it unfair than those who never had debt in the first place (52% compared with 47%). Men were significantly more likely to say mass forgiveness would be unfair, with 53% saying it wouldn’t be equitable, as compared to 40% of women. Along similar lines, 45% of men thought it would also be unfair to those who never borrowed, as compared with 34% of women. That said, 35% of respondents did not think mass student loan forgiveness would be unfair to past borrowers, while 19% said they didn’t know where they stood on this hotly debated issue.

**Warrant:** Millions of borrowers who sacrificed to repay their debt would be insulted.

Burke, Lindsey M. & Adam Kissel. “Why Biden’s Student Loan Bailout Is Unfair.” The Heritage Foundation, 29 Aug. 2022, https://www.heritage.org/education/commentary/why-bidens-student-loan-bailout-unfair.

The administration is also rubbing salt in the wounds of those responsible borrowers who worked their way through college to avoid debt or who worked hard to pay off their college debt after graduating. **The millions of Americans who graduated from college, lived modestly, and did without fancy dinners and vacations so they could diligently repay the debt they agreed to pay back are surely wondering why they will get no such rebate. Those responsible Americans are left standing there, holding the bill like chumps. They have good reason to feel insulted.** So should the Americans who eschewed college altogether because they thought it was a bad value proposition—which the Biden administration has tacitly admitted through the very move to cancel debt.

**Warrant:** As such, a majority of former borrowers oppose debt forgiveness.

Ekins, Emily. "Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." 1 Sep. 2022, The Cato Institute, https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it#:~:text=Nearly%20two%E2%80%90%E2%80%8Bthirds%20of,research%20has%20shown%20it%20may.

The survey found that about 1 in 10 Americans are currently repaying their student loans. Nearly double that, 23% of Americans said they had already repaid their student loans. Nearly two-thirds (63%) of Americans have not taken out student loans. **At first, majorities of Americans who've already repaid their loans (62%) or never took out loans (59%) support the cancellation proposal. But they are less willing to accept the trade-offs of debt cancellation than are current borrowers. Majorities of former**

**borrowers and non-borrowers turn against cancellation if it raised their taxes (64%, 67% opposed, respectively), primarily benefited higher income people (73%, 70% opposed), caused tuition inflation (80%, 75% opposed) or credential inflation (70%, 76% opposed).** Unsurprisingly, 88% of current borrowers support debt forgiveness, while 12% oppose. Majorities of current borrowers would continue to favor debt cancellation even if it raised taxes (55%) or led to credential inflation (51%), which makes it harder for Americans without degrees to find jobs. Half (49%) of current borrowers would continue to support cancellation if it primarily benefited higher income people. Current borrowers found only one trade-off unacceptable: tuition inflation. If student debt forgiveness today meant hiked college prices tomorrow, then current borrowers would oppose the plan 69% to 31%.

**Impact:** Debt forgiveness creates a moral hazard.

Seltzer, Rick. "Is Biden's student debt cancellation a moral hazard?" Higher Ed Dive, 26 Aug. 2022, https://www.highereddive.com/news/is-bidens-student-debt-cancellation-a-moral-hazard/630552/.

There are all sorts of what I'll call intertemporal fairness issues that are created by the one-time nature of this event, which is another way of saying if somebody paid off their loans yesterday, they got nothing from the plan. If someone used cash instead of borrowed, they get nothing. **I think most concerning to me, though, is what this does to future incentives. We have basically sent a message to borrowers now that you won't necessarily be on the hook to repay all the money that you borrowed to pay for school. We don't know how future students will respond to that information and how they're going to change their willingness to pay for college and their willingness to borrow, but it only pushes in the direction of increasing willingness to pay and people borrowing more than they would have otherwise.** That's essentially an increase in demand for higher education services which will yield higher prices in the long run. This is the moral hazard argument you've been writing about. It's been used in discussions about other types of debt in the past, but it raises some interesting questions when applied to student loans. First, is it applicable to college students who don't have experience with debt?

**Impact:** Debt forgiveness penalizes personal responsibility.

Drozdowski, Mark J. "Is Student Loan Forgiveness a Good Idea?" BestColleges, 8 June 2022, https://www.bestcolleges.com/news/analysis/is-student-debt-forgiveness-a-good-idea/#:~:text=%22Taking%20out%20a%20loan%20is,debt%20I%20chose%20to%20accept.%22.

Opponents of student debt cancelation — in one form or another — cite additional reasons for believing these measures are misguided. **One argument is that loan forgiveness isn't fair to graduates who incurred student debt and paid off their loans. "Taking out a loan is a choice, and personal responsibility shouldn't be supplanted by taxpayer bailouts," writes Matthew Noyes of the Foundation for Economic Education. "'Canceling' student loans means penalizing people like me for honoring my word and repaying the debt I chose to accept."** Another rationale suggests debt cancellation might actually boost inflation. Borrowers suddenly free of some or all debt might increase personal consumption, driving up prices even higher than they are now. Then there are those who believe debt cancellation ignores the main problem: rising tuition costs. "To ignore root causes is like cleaning up a polluted beach downstream, while leaving the factory upstream pumping ever more contaminants into the water," writes Sen. Ben Sasse (R-NE), a former college president, in The Atlantic. "We need to be talking about institutional reform." Finally, a bailout of this sort might suggest another is forthcoming in the future. As such, might students be more willing to take on massive debt under the assumption that some or all of it will be forgiven? And might universities therefore continue raising tuition and fees knowing students will blithely rack up more and more loans?

**Analysis:** This argument would be good for lay judges because it is incredibly logical. Most parent judges are college educated, so they probably paid for college in some way or another. This generational divide on the topic can be used to your advantage in round. That being said, this argument is probably not the best to use in front of a flow judge, as they tend to be either more progressive in their social and political beliefs or younger and currently impacted by student debt.

## CON: There are better alternatives

**Argument:** Debt forgiveness alone does not solve the student debt crisis. Therefore, fiating the resolution does not magically fix everything – it just puts a bandaid over a bullet hole and brings harm with it. As such, other solutions may be better.

**Warrant:** Debt forgiveness alone does not solve the problem.

Helhoski, Anna & Eliza Haverstock. "What Would It Take to Solve the Student Debt Crisis?" NerdWallet, 20 Jan. 2023, https://www.nerdwallet.com/article/loans/student-loans/what-would-it-take-to-solve-the-student-debt-crisis.

The possibility of federal student loan forgiveness grabs all the headlines. **But experts say no single policy — not even wiping the slate clean for millions of borrowers — solves the root causes of the nation's $1.7 trillion student loan debt crisis. That debt has been fueled by decades of wages not keeping up with the rising cost of college.** And unless wages increase and college costs decrease, students will still need to take on debt to complete degrees, and they'll face greater difficulty repaying loans. **"There are no $1.7 trillion silver bullets," says Seth Frotman, the former executive director of the Student Borrower Protection Center, a nonprofit advocacy organization.** So what could work? It'll take more than a headline-grabbing wipeout of student debt. Frotman says, in addition to canceling debt, he would prioritize efforts to make college more affordable and to reform the borrowing and repayment systems. Michele Streeter, senior policy analyst at The Institute for College Access and Success, says student loans remain an important college access tool for students, but forgiveness and repayment programs should be easier to access and automated whenever possible. As a new crop of students gets ready to borrow for college and multiple generations of borrowers grapple with debt, experts weigh in on possible solutions.

**Warrant:** Other solutions may be better.

Konish, Lorie. "One-time presidential pardon will not do much to alleviate student debt crisis, economists say. These changes may be a better solution." CNBC, 19 Sep. 2022, https://www.cnbc.com/2022/09/19/these-changes-can-fix-student-debt-crisis-and-are-better-than-forgiveness.html

**But some experts say the one-time presidential pardon will not do much to alleviate the student debt crisis affecting millions of borrowers around the country.** Laurence Kotlikoff, an economics professor at Boston University and president of financial planning software company Economic Security Planning, has spent much of his career focused on the intergenerational redistribution of wealth. Government programs like Social Security and Medicare take from younger generations and give to their elders while running huge deficits, Kotlikoff said. **Student loans provided by the government similarly place an undue burden on younger Americans, he said.** "My message would be, 'Don't borrow for college to begin with — period,'" Kotlikoff said. "That's what the president should be saying," he added. "That's what everybody should be saying." Under Biden's plan, millions of borrowers will see $10,000 in forgiveness for federal student loans, or up to $20,000 for Pell Grant recipients. As a result, almost 20 million people, or nearly 45% of borrowers, will have their debts fully canceled, according to the White House. That's occurring in a population of more than 40 million borrowers who hold $1.7 trillion in student loan debt. "Bailing out some people, many of whom are still paying college loans off in their 60s, is not a sin," said Kotlikoff, who estimates there are about 3 million people in that age group who are still paying back student loan debt. Those debts could be coming out of their Social Security checks as their balances have grown because they may have been charged interest on interest if they were not able to repay, Kotlikoff said. "There's no reasonable argument for the government forcing you to be paying this back literally when you're 99," Kotlikoff said. **Instead, other possible fixes may help borrowers avoid that situation in the first place.**

**Warrant:** States can help solve the student debt crisis.

"How States Can Solve the Student Debt Crisis: A Framework for Reducing Student Debt Burdens for Present and Future Borrowers." Aspen Institute, 23 Mar. 2020. https://www.aspeninstitute.org/publications/how-states-can-solve-the-student-debt-crisis-a-framework-for-reducing-student-debt-burdens-for-present-and-future-borrowers/.

**States have a unique role to play in addressing student loan burdens. Their role in overseeing public universities, tax and budget powers, and regulatory authority mean that they have a wide array of options to help borrowers with their student loans.** No state is untouched by the student debt crisis. In 2018, the lowest state average for student debt of borrowers at graduation sat at $19,750. Twenty-one states had averages over $30,000. **Solving the crisis will require solutions from a range of stakeholders and actors—and states have an opportunity to act immediately.** To provide options to states to address this growing threat to financial security, Aspen FSP conducted a scan of possible state solutions to address student loan burdens. The identified solutions fit into three types of actions that align with the borrower experience, with particular consideration for how they help low-income borrowers and borrowers of color: Reduce the out-of-pocket cost of attendance; Protect students as they navigate existing debt; Decrease existing student debt burdens.

**Warrant:** Employers can help solve the student debt crisis.

“Causes of and Solutions to the Student Debt Crisis.” Annie E. Casey Foundation, 1 Nov. 2022, https://www.aecf.org/blog/solutions-to-the-student-debt-crisis-in-a-time-of-economic-distress.

**Employers also can play a role in student debt relief by helping employees repay their loans: Provide repayment benefits.** Employers can offer student loan repayments, benefits and tuition assistance to employees. **Make direct contributions.** Increasingly, employers are offering monetary contributions to student debt as part of benefits packages. **Tie payments to retirement plans.** Workers make student loan payments for themselves and then the company deposits a corresponding “match” into the employee’s 401(k) account. **Financial counseling.** Companies and organizations can connect employees to financial coaches or counselors to help them organize repayment plans.

**Warrant:** Student loan bonds can help solve the student debt crisis.

Naroff, Joel L. “Here’s an idea to solve the college debt crisis: Student Loan Bonds.” The Philadelphia Inquirer, 2 Oct. 2023, https://www.inquirer.com/economy/student-loan-debt-repayment-forgiveness-solutions-20231002.html#:~:text=The%20Treasury%20would%20issue%20special,new%2030%2Dyear%20student%20loans.

Here is my proposal: **Create Student Loan Bonds. The Treasury would issue special 30-year bonds at market rates. Using the funds raised, the Treasury would offer to refinance the current student loans.** Students would pay off their outstanding debt and replace it with new 30-year student loans. **The key is that the student-loan borrowing rate would likely be lowered as it is based on the rate charged to the U.S. government, not the student borrower. Payments would also fall because they’d be spread out**

**over a longer period of time. Default risk would still exist, but the lower payments would lessen the potential for default.** Consider this: Given where the 30-year Treasury bond has been yielding, a borrowing rate of about 5% would be possible. This would include added charges for servicing and covering default risk. The monthly payments on a $10,000, 5%, 30-year loan would run about $54, the cost of a daily small cup of coffee at Wawa. A $25,000 loan would be about $134 per month while a $50,000 loan would run $268 per month. These are doable numbers. Critically, this proposal addresses the legal issues and political opposition to Biden's loan forgiveness plan. Borrowers still have to pay back their loans. There is no free lunch. In return, debtors have more time to pay down the loans with rates and monthly payments likely to be significantly lower than those on their current loans. Yes, there is still some default risk that could cost taxpayers money, but that is true now and some loans are currently forgiven. The overall expense to the Treasury of this plan should be significantly lower than any alternative being proposed and a lot lower than doing nothing.

**Impact:** Debt forgiveness costs almost $980 billion.

"Forgiving Student Loans: Budgetary Costs and Distributional Impact." Penn Wharton, 23 Aug. 2022, https://budgetmodel.wharton.upenn.edu/issues/2022/8/23/forgiving-student-loans.

Consider the first row of results in Table 1. **For universal coverage (i.e., maximum income per borrower equal to None) and debt forgiveness capped at $10,000, we estimate that the budgetary cost for the current year (2022) is $311 billion. If the program is renewed in future years, it costs about $3.5 billion per year, totaling $344 billion over the 10-year budget window.** Table 1 shows that the effect on total costs from changing the maximum income limit is much smaller than the impact of changing the maximum amount of debt forgiven. With a maximum individual annual income limit of $150,000 (or $250,000 for families), the current year cost decreases to $298.4 billion, and the 10-year total cost is $329.7 billion. Limiting income threshold from $150,000 to $125,000 (or $250,000 for families) has very little impact on the cost, reducing the 10-year budgetary cost to $329.1 billion. **Increasing the amount of debt forgiveness from $10,000 to $50,000 per borrower also increases the current year (2022) total cost from $311 billion to $820.3 billion for the case of universal coverage without a maximum income limit. That cost rises to $978.5 billion if the program is renewed over the budget window.** Imposing a $150,000 annual income threshold reduces the current year cost to $785.8 billion and the 10-year total cost to $934.9 billion. Similarly, changing the income threshold from $150,000 to $125,000 does not significantly affect the budgetary cost, as shown in Table 1.

**Impact:** Debt forgiveness increases the federal deficit.

Smith, Kelly Anne. "Canceling Student Debt Isn't Free. Here's Who Pays For It." Forbes, 27 Sep. 2022, https://www.forbes.com/advisor/personal-finance/who-pays-for-student-loan-forgiveness/.

**Canceling federal student loans will cost the federal government hundreds of billions of dollars— and the general public will eventually end up footing the bill.** According to an official estimate from the Congressional Budget Office, Biden's student loan cancellation plan will cost $400 billion. However, the office notes that the estimate is "highly uncertain" based on the unknown of how many people would've repaid their debt had Biden not taken executive action and how much they still will repay. Biden previously stated at a press conference that "there is plenty of deficit reduction to pay for the programs." But what exactly does "cost the government" mean? **Canceled federal student loans would be immediately added to the federal deficit, which measures how much the U.S. spends minus how much it takes in. Analysts agree that canceling federal student loans would increase the deficit.** But what they're split on is how significant that addition would be, and how the government could eventually recoup the costs.

**Impact:** Increasing the federal deficit hurts the most vulnerable Americans.

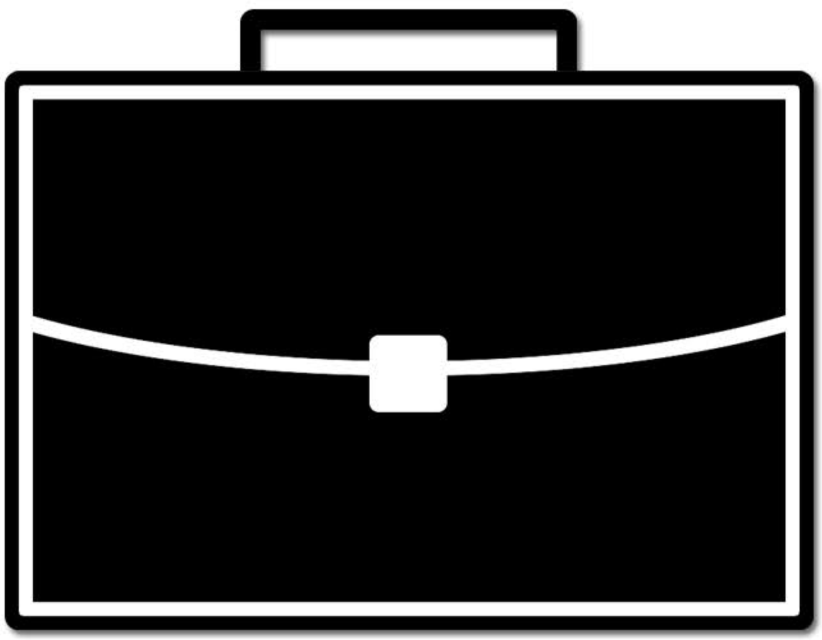
Smith, Kelly Anne. "Canceling Student Debt Isn't Free. Here's Who Pays For It." Forbes, 27 Sep. 2022, https://www.forbes.com/advisor/personal-finance/who-pays-for-student-loan-forgiveness/.

A May report by the U.S. Government Accountability Office (GAO) warns that current federal spending is at an unsustainable level and puts the country's financial health at risk. **The government has two options to reduce the deficit: Decrease spending or raise taxes. That, according to some policy analysts, is how the cost will eventually make its way to the general public.** "There are trade-offs and it's quite likely that if we spend this money on forgiving student loan debt we won't spend it on other things we want to see the government do," says Sandy Baum, nonresident senior fellow at the Urban Institute. **Spending cuts could potentially slash some of the most important social programs in the country. In 2020, the Congressional Budget Office (CBO) released a report of various strategies the federal government could use to lower its deficit. These included cutting down on vital programs, including eliminating free and reduced school lunches or raising the full retirement age for Social Security.** That means some of Biden's social initiatives, like universal Pre-K or guaranteed parental leave, could have a tough time becoming law in the future.

**Analysis:** This argument is good because it spins the "debt forgiveness is expensive" argument in a new direction. You still garner those same tangible, humanized impacts, but you also get to provide a slew of counter advocacies to cast doubt on the affirmative's plan.

# Champion Briefs

## Nov/Dec 2023
## Public Forum Brief



# Con Responses to Pro Arguments

## A/2: Debt forgiveness helps people retire

**Answer:** Debt forgiveness has no significant impact on helping people retire.

**Non-Unique:** There is already legislation that has linked student loans and retirement savings

Werschkul, Ben. "New law links your student loans with retirement savings." *Yahoo Finance*, December 27, 2022, https://news.yahoo.com/new-law-links-your-student-loans-with-retirement-savings-162657977.html. Accessed October 8, 2023.

**Of interest to people holding student loans is Section 110 of the bill that treats student loans as deferrals for the purpose of retirement savings. What that means in practice is, beginning in 2024, if the company chooses to provide the benefit, a worker could write a check for their monthly student loan bill, but in the process also earn a "match" for their 401(k), 403(b), or SIMPLE IRA account.** Proponents of the new law say it will help young people avoid missing out on years of saving and the compound interest that builds up when people start early. A 2019 study from Bankrate found that 29% of college graduates with student loans delayed retirement savings. Another study, from the Employee Benefit Research Institute, found that holding student loan debt is a key factor in how much households were able to save. This idea of allowing simultaneous student loan payments and retirement savings has bounced around Washington for years and has gradually gained bipartisan support. Sen. Ron Wyden of Oregon put forward a bill in 2019 with Republicans like Rep. Fred Keller (R-PA) also championing the effort over the years.

**Mitigate:** Starting in 2024, employers can contribute towards paying off employee's student loans

Corrigan, John. "Student loan payments can go toward retirement in 2024." *HRD*, March 2, 2023, https://www.hcamag.com/us/specialization/benefits/student-loan-payments-can-go-toward-retirement-in-2024/438048. Accessed October 8, 2023.

Tuition, required student activity fees, books or anything that is required to enroll in or attend school are considered qualified expenses. The IRS is expected to issue guidance and regulations in the coming months for HR leaders interested in taking advantage of the provision. **"When you think about employer-sponsored student loan repayment, that's a very significant budget item," says MacPhetres, who previously spent 13 years as vice president at JPMorgan Chase. "It's something companies have to plan for and then ramp up. But retirement is probably something already built into their benefits package. So, this is a way for employers to enter the student loan space and give some assistance to employees without having to restructure benefits programs."**

**Warrant:** Most older people with a large amount of student loan debt is because of uninformed cosigning, not the concept of loans themselves

Bloomenthal, Andrew. "Heading Into Retirement With Student Loans." *Investopedia*, March 24, 2023, https://www.investopedia.com/retirement/heading-retirement-student-loans/. Accessed October 8, 2023.

The vast majority of older adults with student loan debt didn't take out the loans for their own higher education. **A CFPB report found that 73% obtained or cosigned loans on behalf of a child or a grandchild, while just 27% said they took out loans for themselves or their spouses. Unfortunately, cosigners of loans can find themselves in a difficult situation if the loan recipients fail to honor the agreed-upon payment schedules.** By cosigning, they have put themselves on the hook for payments, just as if the loan had been theirs alone. This can become even more difficult during their retirement years when they may be living on a fixed income.

**Warrant:** Student loan forgiveness is unfair

Dent, Charlie. "Opinion: Biden's student loan forgiveness is unfair and unwise." CNN, August 26, 2022, https://www.cnn.com/2022/08/26/opinions/biden-student-loan-forgiveness-unfair-dent/index.html. Accessed October 2, 2023.

Transferring the obligations of people who incurred student loan debts to millions of working taxpayers whose own debts or loans were never forgiven is not only unfair but politically perilous. What's more, college graduates have much greater earning potential than those who never went to college. **Consequently, non-college educated, working taxpayers will help pay the student debts of people who will earn far more than they ever did. Try selling that one to a janitor, construction worker, dishwasher, house cleaner, truck driver, or any other blue-collar worker. Nothing in the Biden order addresses the cost of college education and high tuition.** What incentive will schools have to lower costs if they believe more debt relief is in the offing? Further, this executive action will incentivize students to take on more student loans if there is a reasonable chance for more debt forgiveness in the future.

**Alternative:** More targeted forgiveness will do more to ensure wealth generation

Looney, Adam. "Student Loan Forgiveness is Regressive Whether Measured by Income, Education, or Wealth." *Hutchins Center*, January 2022, https://www.brookings.edu/wp-content/uploads/2022/01/WP75-Looney_updated_1.pdf. Accessed October 8, 2023.

**The best way to use federal postsecondary educational systems to close racial and socioeconomic gaps in income and wealth is through means-tested programs that promote access and completion at high-quality educational institutions. The major**

**cause of lifetime wealth gaps between Black and white households, or between children who grow up in low- versus high-income families, are differences in educational attainment and in the value of those investments, which stem from who goes to college in the first place, what institutions, degrees, and programs they pursue and complete, and how they are treated in the labor market after graduation**. Black students are underrepresented at all levels of higher education, less likely to complete a degree, vastly more likely to attend low-quality, high-cost institutions like for-profit schools, and, most of all, face discrimination in the labor market. Not all of those problems can be solved by changes in postsecondary aid, but some can.

**Analysis:** These rebuttal cards take several different approaches. The easiest approach argues that existing policies will be enough to allow people to retire by increasing the amount they can save, while the harder approach argues that it isn't fair for the government to rescue people from poor decisions.

## A/2: Debt forgiveness leads to racial equity

**Answer:** Debt forgiveness leads to inequality in other areas.

**Warrant:** Student loan debt is skewed heavily towards people with higher incomes

Baum, Sandy and Adam Looney. "Who owes the most in student loans: New data from the Fed." Brookings, October 9, 2020, https://www.brookings.edu/articles/who-owes-the-most-in-student-loans-new-data-from-the-fed/. Accessed October 2, 2023.

**The highest-income 40 percent of households (those with incomes above $74,000) owe almost 60 percent of the outstanding education debt and make almost three-quarters of the payments. The lowest-income 40 percent of households hold just under 20 percent of the outstanding debt and make only 10 percent of the payments**. It should be no surprise that higher-income households owe more student debt than others. Students from higher-income households are more likely to go to college in the first place. And workers with a college or graduate degree earn substantially more in the labor market than those who never went to college. What may be more surprising, however, is the difference in payment burdens. A growing share of borrowers participate in income-driven repayment (IDR) plans, which do not require any payments from those whose incomes are too low and limit payments to an affordable share of income for others. And some borrowers are in forbearance or deferment because of financial hardships. **As a result, out-of-pocket loan payments are concentrated among high-income households; few low-income households enrolled in IDR are required to make payments. Likewise, education debt is concentrated in households with high levels of educational attainment.**

**Turn:** Student loan forgiveness disproportionately helps high-income households

Catherine, Sylvain. "How Student Loan Forgiveness Could Increase Inequality." Knowledge at Wharton, December 15, 2020, https://knowledge.wharton.upenn.edu/podcast/knowledge-at-wharton-podcast/how-student-loan-forgiveness-could-increase-inequality/. Accessed October 2, 2023.

**Under a universal loan forgiveness policy, in present value terms, the average individual in the top earnings decile would receive $6,021 in forgiveness, compared to $1,085 for those in the bottom earnings decile, the paper stated. In fact, households in the top 30% of the earnings distribution receive almost half of all dollars forgiven.** The patterns are similar under policies forgiving debt up to $10,000 or $50,000, with higher-income households seeing significantly more loan forgiveness, the researchers write. The benefits of student loan forgiveness are unevenly distributed also by race and ethnicity, Catherine and Yannelis found. The average loan balances are the highest among blacks at $10,630, while those for whites are $6,157, and for Hispanics and others they are $3,996. After adjusting for the present value of those loans, universal loan forgiveness would lead to roughly equal average benefits for whites and blacks, but would yield significantly lower average benefits for Hispanics and other groups, the researchers noted. **According to Catherine, student loan balances are not the right measure to look at. "Instead, we compute present values based on what people are actually repaying, which depends very much on their earnings," he said.**

**Turn:** Forgiving student loans would be a handout to the elite segment of society

Looney, Adam. "How progressive is Senator Elizabeth Warren's loan forgiveness proposal?" Brookings, April 24, 2019, https://www.brookings.edu/articles/how-progressive-is-senator-elizabeth-warrens-loan-forgiveness-proposal/. Accessed October 2, 2023.

To assess how progressive the policy is, the fourth column of statistics asks how much of the total loan forgiveness accrues to borrowers in each income group. Almost a third of all debt relief accrues to borrowers in the fourth quintile. Borrowers in the top 20 percent get about 18 percent of the relief, almost double the amount received by the bottom 20 percent. Measured by its effects on annual debt service payments, the policy is even more regressive. **This analysis shows that low-income borrowers save about $569 in annual payments under the proposal, compared to $900 in the top 10 percent and $2,653 in the 80th to 90th percentiles. Examining the distribution of benefits, top-quintile households receive about 27 percent of all annual savings, and the top 40 percent about 66 percent. The bottom 20 percent of borrowers by income get 4 percent of the savings.**

**Turn:** The cost of forgiveness would result in tax increases and new debt

Konish, Lorie. "Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds." CNBC, September 2, 2022, https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html. Accessed October 2, 2023.

Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden's new plan. However, critics say taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars. That could result in an average burden of $2,500 per taxpayer, according to calculations from the National Taxpayers Union, a fiscally conservative advocacy group. "There's a transfer of wealth from the society at large to people who borrowed to go to college right now," said Andrew Lautz, director of federal policy at the National Taxpayers Union. "That has consequences for consumers," Lautz said. "It has consequences for taxpayers." **The average burden per U.S. taxpayer will be $2,503.22, according to new**

**estimates from the National Taxpayers Union based on the specifics of Biden's plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden's student loan forgiveness plan will incur more debt for the government.** The estimated cost per taxpayer is based on the assumption that policymakers would need to make up for the total tally of the forgiveness through tax increases, spending cuts, borrowing or a combination of those strategies. The National Taxpayers Union's calculation is based on a total cost of debt cancellation of more than $400 billion divided by the total number of U.S. taxpayers, 158 million.

**Impact:** Increased debt kills economic growth

Salmon, Jack. "The Impact of Public Debt on Economic Growth." Cato Journal, Fall 2021, https://www.cato.org/cato-journal/fall-2021/impact-public-debt-economic-growth. Accessed October 2, 2023.

The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which debt has a significant deleterious impact on growth rates. **A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth.** The empirical evidence for a nonlinear debt-growth threshold suggests that, while such thresholds might exist, there may not be a common threshold level and they may be largely dependent upon other factors such as a country's level of development and the quality of its institutions. The findings of the survey analysis offer some valuable lessons for those interested in the debt-growth nexus.

**Analysis:** This rebuttal argues that even if student loan forgiveness would help reduce racial equality, it would have no impact on class equality and may actually grow resentment between people of different classes. This rebuttal should be coupled with an analysis of why class equality is important.

## A/2: Debt forgiveness boosts economic activity

**Answer:** Student loan forgiveness carries significant unstated costs.

**Warrant:** Student loan forgiveness increases inflation

Smith, Kelly. "Will Student Loan Forgiveness Make Inflation Worse?" Forbes, August 25, 2022, https://www.forbes.com/advisor/personal-finance/student-loan-forgiveness-inflation/. Accessed October 2, 2023.

Americans collectively hold $1.75 trillion in student loan debt. In theory, less student debt to repay frees up cash that consumers could spend. This could increase demand and cause prices to jump. But economists remain divided over how much Biden's plan will cause inflation to spike. The few available estimates on Biden's loan forgiveness program's impact on inflation show a small impact, percentage-point wise, in the immediate future. **The Committee for a Responsible Federal Budget (CRFB), a nonprofit public policy organization, estimates that $10,000 of debt cancellation for borrowers making under $300,000 could add up to 15 basis points (0.15%) to the inflation rate "and create additional inflationary pressure over time."**

**Warrant:** Student loan forgiveness would cost over $1 trillion

Looney, Adam. "Putting student loan forgiveness in perspective: How costly is it and who benefits?" Brookings, February 12, 2021. https://www.brookings.edu/articles/putting-student-loan-forgiveness-in-perspective-how-costly-is-it-and-who-benefits/. Accessed October 2, 2023.

**In terms of its scale in budget and cost to taxpayers, widespread student loan forgiveness would rank among the largest transfer programs in American history. Based**

**on data from the Department of Education, forgiving all federal loans (as Senator Bernie Sanders proposed) would cost on the order of $1.6 trillion. Forgiving student debt up to $50,000 per borrower (as Senators Elizabeth Warren and Chuck Schumer have proposed) would cost about $1 trillion. Limiting loan forgiveness to $10,000, as President Biden has proposed, would cost about $373 billion.** Under each of these proposals, all 43 million borrowers would stand to benefit to differing degrees. To put those numbers in perspective, the chart below compares the cost of these three one-time student loan forgiveness proposals against cumulative spending on several of the country's largest transfer programs over the last twenty years (from 2000 to 2019, adjusted for inflation). **Forgiving all student debt would be a transfer larger than the amounts the nation has spent over the past 20 years on unemployment insurance, larger than the amount it has spent on the Earned Income Tax Credit, and larger than the amount it has spent on food stamps.** In 2020, about 43 million Americans relied on food stamps to feed their families. To be eligible, a household of three typically must earn less than $28,200 a year. The EITC, the nation's largest antipoverty program, benefitted about 26 million working families in 2018. That year, the credit lifted almost 11 million Americans out of poverty, including about 6 million children, and reduced poverty for another 18 million individuals.

**Warrant:** Student loan forgiveness would cause the Federal Reserve to raise interest rates

George, Aubrey and Thomas Lubik. "Student Debt Cancellation Raises the Price Level and Inflation." *Federal Reserve Bank of Richmond*, October 11, 2022, https://www.richmondfed.org/research/national_economy/macro_minute/2022/mm_10_11_22. Accessed October 8, 2023.

In addition, at the time of this writing, there are legal challenges proceeding that may prevent debt forgiveness from being implemented at all. There could also be some stimulating impact, as the debt cancellation could free up borrowers' cash flow, and the additional spending may create more tax revenue. However, at the same time, this is also likely to be inflationary. Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates. **To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future. The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation proposal.**

**Turn:** The cost of forgiveness would result in tax increases and new debt

Konish, Lorie. "Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds." CNBC, September 2, 2022, https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html. Accessed October 2, 2023.

**Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden's new plan. However, critics say taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars. That could result in an average burden of $2,500 per taxpayer, according to calculations from the National Taxpayers Union, a fiscally conservative advocacy group. "There's a transfer of wealth from the society at large to people who borrowed to go to college right now,"** said Andrew Lautz, director of federal policy at the National Taxpayers Union. "That has consequences for consumers," Lautz said. "It has consequences for taxpayers." The average burden per U.S. taxpayer will be $2,503.22, according to new estimates from the National Taxpayers Union based on the specifics of Biden's plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden's student loan forgiveness plan will incur more debt for the government.

**Impact:** Increased debt kills economic growth

Salmon, Jack. "The Impact of Public Debt on Economic Growth." Cato Journal, Fall 2021, https://www.cato.org/cato-journal/fall-2021/impact-public-debt-economic-growth. Accessed October 2, 2023.

**The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which debt has a significant deleterious impact on growth rates. A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth.** The empirical evidence for a nonlinear debt-growth threshold suggests that, while such thresholds might exist, there may not be a common threshold level and they may be largely dependent upon other factors such as a country's level of development and the quality of its institutions. The findings of the survey analysis offer some valuable lessons for those interested in the debt-growth nexus.

**Analysis:** This response is a straight turn arguing that there would be unintended side effects leading to, at best, no change in the country's economy. The worst case scenario would be an active decrease in the country's economy as a result of student loan forgiveness.

## A/2: Debt forgiveness has an intergenerational impact

**Answer:** Debt forgiveness is a political liability that hurts Biden's re-election chances.

**Warrant:** Student loan forgiveness is an extremely polarizing policy

Edwards-Levy, Ariel. "Student loan forgiveness divides Americans more by party and age than by education." *CNN*, May 28, 2022, https://www.cnn.com/2022/05/28/politics/student-loan-forgiveness-polling/index.html. Accessed October 8, 2023.

**About half of Americans, 49%, think the US government is doing too little to address student loan debt, according to a CNN Poll conducted by SSRS in late April and May, with 24% saying that the government is doing too much, and the remainder that the current approach is about right. For comparison, 81% say the government is taking too little action on inflation.** A majority of Democrats (56%) – and an even wider majority of self-described liberals (69%) – say the government is doing too little on student loan debt, according to the CNN poll, while only a third of Republicans and self-described conservatives alike say the same. Seventy percent of adults younger than 35 say the government is doing too little, a figure that drops to 50% among those in the 35-49 age bracket, and 35% among those age 50 or older.

**Warrant:** Over two-thirds of Americans opposed loan forgiveness when considering trade-offs

Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." *Cato Institute*, September 1, 2022, https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it. Accessed October 8, 2023.

**Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may.** About three-fourths of Americans would oppose student debt cancellation if it caused universities to raise their tuition and fees (76%) or if it caused more employers to require college degrees even if not needed to do the job (71%), also known as “credential inflation.”

**Warrant:** A growing number of Democratic voters believe the party is moving too far to the left

Phillips, Aleks. “Five Polls That Show Joe Biden’s Chances of Re-Election Are in Jeopardy.” *Newsweek*, September 26, 2023, https://www.newsweek.com/joe-biden-five-polls-reelection-chances-1829929. Accessed October 8, 2023.

**A Morning Consult poll conducted between August 29 and September 1 and released Monday found, by a nine-point margin, that voters believe the Democrats are more ideologically extreme than Republicans. Analysis of the results of the survey by the pollsters said the trend was being "largely driven by worsening perceptions among its own voter base."** "President Biden entered office pledging to go big on government in the vein of Franklin Delano Roosevelt, and while some of his most ambitious plans such as Build Back Better were ultimately pared down, Democrats have still spent a ton of money to provide new benefits for Americans," Cameron Easley, a Morning Consult political analyst, previously told Newsweek. "So, some of this may well just be a case of voters believing what Democrats are telling them." He suggested that Biden was likely one of the main reasons the Democrats were being viewed as having stagnated more since 2020 than any other party.

**Warrant:** Biden and Trump are locked in a dead heat for 2024

Loffman, Matt. "These new poll numbers show why Biden and Trump are stuck in a 2024 dead heat." *PBS News Hour*, October 4, 2023, https://www.pbs.org/newshour/politics/these-new-poll-numbers-show-why-biden-and-trump-are-stuck-in-a-2024-dead-heat. Accessed October 8, 2023.

The president is significantly underperforming with non-white voters, who were key to his 2020 victory. **Biden has the support of 53 percent of non-white voters in the latest PBS NewsHour/NPR/Marist poll, which is 20 points behind his performance in the 2020 election, according to AP VoteCast, a survey of more than 100,000 voters. Meanwhile, Trump has support of 49 percent of white voters, 6 points less than he did in the 2020 election. Voters under the age of 45 were also critical to Biden's 2020 win. He led Trump by 17 points with this group in the last election, according to AP VoteCast data. But in the latest PBS NewsHour/NPR/Marist poll, Trump now leads Biden with 50 percent of young voters compared to 47 percent for Biden, a 3-point difference that is within the poll's margin of error.** "That's scary and concerning," Shakir said. "If you're Joe Biden, if you're any Democrat running for office, you've got to pull in a healthy amount of people who are young. And if you're not, that should be of concern to you."

**Impact:** A second Trump presidency would be disastrous for America

Taylor, Miles. "Another Trump Presidency Would be Even Worse Than You Think." *Time*, July 12, 2023, https://time.com/6294052/new-trump-presidency-would-be-even-worse/. Accessed October 8, 2023.

First, ex-officials I spoke with warn that the executive branch will be weaponized by another MAGA president in previously unreported ways. "**The damage Trump did in the first term is reparable," said former national security advisor John Bolton, but he said the next Trump "would do damage that is not reparable, especially in a White House surrounded by fifth-raters." Intelligence agencies and the military are of particular**

**concern. "The MAGA movement has paved the way for a politicized intelligence community," explained Fiona Hill, a former advisor on Trump's National Security Council (NSC). She worries that having ideologues run such agencies "will lead the United States into wars" – wars that America might not be prepared to win.** Trump's former defense secretary Mark Esper added that his "biggest concern would be withdrawing troops from key places abroad" and "abandoning alliances," projecting the next Trump could leave America vulnerable to attack. Other defense leaders worry about military forces being brought home for the wrong reasons.

**Analysis**: This response could be used against a variety of arguments and essentially argues that student loan forgiveness would be a political liability for the Biden administration, risking a loss in the 2024 election. Students could pair this with evidence about Biden's support among older people for a stronger argument.

## A/2: Debt forgiveness increases college attendance

**Answer:** Student loan forgiveness hurts college attendance by increasing tuition costs.

**Warrant:** Many undergraduates do not use their student loans wisely, leading to bankruptcy

Sheehy, Kelsey. "Undergrads Blow It With Student Loan Refunds." US News, July 24, 2013, https://www.usnews.com/education/best-colleges/paying-for-college/articles/2013/07/24/undergrads-blow-it-with-student-loan-refunds. Accessed October 2, 2023.

This often allows students to take out federal student loans to cover the full cost of attendance, including housing, personal and living expenses. **The University of Oregon estimates the total cost for undergraduates living off campus at nearly $24,000 for the 2013-2014 school year. Less than $10,000 of that goes to tuition, leaving students with refund checks of roughly $14,000 each year. While these refunds are intended to go toward educational expenses and living expenses – food, rent and utilities – no one monitors how students spend this money.** Christina Mascaro and her husband Justin Krudop maxed out their student loans in order to pay bills such as car loans and credit card bills. "He was coming out of the Army, I was coming out of a divorce, and we desperately needed those funds," Mascaro said via email, adding that at the time the two were not married, living separately and each making about $8 to $10 per hour.

**Warrant:** 1 in 5 undergrads spend their student loan money on spring break trips

Safier, Rebecca. "1 in 5 College Students Pay for Spring Break With Student Loans: Survey." LendingTree, March 11, 2020, https://www.lendingtree.com/student/spring-break-student-loans-survey/. Accessed October 2, 2023.

Along with credit cards, student loan borrowers have also relied on student loan money to pay for spring break costs**. In fact, 22% of borrowers said they'd taken out more loans than they needed to fund their trips. Men were more likely to do so, with 34% planning to spend loan money on spring break, versus 21% of women. Another 41% of students of either gender said that although they hadn't used student loan money on spring break, they had considered doing so.** On average, these borrowers said they had previously shelled out about $1,200 of their student loan money on spring break. Among those who planned to use student loan money on their upcoming break, 69% said they would use at least some of it to buy food, 44% said they would buy plane tickets, and 43% cited entertainment. Hotel rooms or Airbnbs, shopping and alcohol or drugs were also big spending categories, with 42%, 34% and 22% using their loan money to cover those expenses, respectively.

**Turn:** Debt forgiveness opens the door for opportunists

Darolia, Rajeev. "Should student loans be dischargeable in bankruptcy?" Brookings, September 29, 2015

Why are student loans treated differently in bankruptcy? **In the past, debtors could clear their student loan debt in bankruptcy by surrendering their assets. However, new college graduates often own few assets to give up, even though they have high expected future incomes. As a result, the concern is that opportunists could game the system by running up large debts that they never plan to repay because they can declare bankruptcy on the eve of starting lucrative careers. Without restrictions to guard against this moral hazard, lawmakers argued that student loans would be ripe for fraud, i.e., too easily discharged in bankruptcy. This could ultimately reduce the availability of educational credit and possibly even destroy student loan programs.** The unique nature of student loans complicates actions that guard against this behavior.

Borrowers don't place collateral against their educational debt and the interest rates that borrowers are charged often either do not fully reflect their default risk or are not risk-priced at all.

**Turn:** Student loan reforms have caused tuition increases in the past

Gordon, Grey and Aaron Hedlund. "Accounting for the Rise in College Tuition." NBER, February 2016, https://www.nber.org/papers/w21967/. Accessed October 2, 2023.

We develop a quantitative model of higher education to test explanations for the steep rise in college tuition between 1987 and 2010. The framework extends the quality-maximizing college paradigm of Epple, Romano, Sarpca, and Sieg (2013) and embeds it in an incomplete markets, life-cycle environment. **We measure how much changes in underlying costs, reforms to the Federal Student Loan Program (FSLP), and changes in the college earnings premium have caused tuition to increase. All these changes combined generate a 106% rise in net tuition between 1987 and 2010, which more than accounts for the 78% increase seen in the data. Changes in the FSLP alone generate a 102% tuition increase, and changes in the college premium generate a 24% increase.** Our findings cast doubt on Baumol's cost disease as a driver of higher tuition.

**Turn:** Tuition increases are an inevitable result of student loan forgiveness

Hall, Abigail. "Don't Forgive Us Our Debts: The Case Against Student Loan Forgiveness." Inside Sources, April 14, 2015, https://insidesources.com/dont-forgive-us-debts-case-student-loan-forgiveness/. Accessed October 2, 2023.

Some suggest that eliminating student debt would yield other benefits, such as allowing more people to go to college. But loan forgiveness would affect only those who already have a college education; it would be of no assistance to those who haven't yet gone to school – unless the government guarantees that future loans will be forgiven as well. That guarantee, however, would have many bad consequences. **For example, it would likely increase college tuitions. In fact, this is precisely what we've observed with current education subsidies. As these subsidies increased demand for education, they pushed the price upward. In essence, loan forgiveness would be one giant subsidy, creating perverse incentives for both schools and students. If schools knew the government would forgive the cost of their students' education, they'd face no incentive to cut costs to keep tuitions down. If students knew their loans would disappear, why wouldn't they attend more expensive private schools rather than cheaper state schools?** By forgiving loans, the government would encourage students to undertake education that may be a poor investment because they would not face the consequences of their choices. Who would pay for all this? The taxpayers.

**Analysis**: This argument combines several disparate ideas for a strong response. First it says that students do not always use their loans for education and that if debt forgiveness was offered it would be exploited by those students and opportunists. It then says that other, smaller reforms had led to tuition increases in the past.

## A/2: Debt forgiveness enables higher education

**Turn:** Student debt forgiveness will hamper higher education by raising the long-term cost of college.

**Warrant:** Tuition subsidies increase the cost of college

McCluskey, Neal. "Canceling Student Debt Could Inflate College Prices? Suddenly, People Don't Like It." *CATO*, September 2022, https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it

This is hard to prove empirically because colleges' costs are directly tied to the money they spend, so it is plausible their costs rise independently of aid. That said, many studies have found an inflationary effect, including one from **the Federal Reserve Bank of New York that found that for every dollar increase in "subsidized" student loans colleges raised their prices 60 cents. Frankly, statistical research is not necessary to see this. One need only ask oneself, could colleges charge what they currently do, and have their current enrollment, without the aid that is nearly ubiquitous? Of course not. The logic and evidence of aid fueling higher prices applies to mass debt cancellation.** With the precedent set that debt will be cancelled whenever a president deems it too burdensome, both colleges and students can reasonably expect generous forgiveness in the future. That could encourage schools to raise prices even higher because students will see a good chance they'll never have to fully repay.

**Warrant:** Federal assistance will create unnecessary enrollment

McCluskey, Neal. "Canceling Student Debt Could Inflate College Prices? Suddenly, People Don't Like It." *CATO*, September 2022, https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it

**Another major problem with federal aid is that it has artificially pushed enrollment, driving a credential glut that has made having a bachelor's degree increasingly necessary to get jobs that previously did not require one. Researchers with the Harvard Business School have found some gigantic gaps between the share of want ads calling for degrees and the share of people currently in the positions holding them,** including a shocking 67 percent of job postings for supervisors of production workers calling for a bachelor's but only 16 percent of current occupants possessing one.

**Warrant:** Colleges can price in loan forgiveness

Young, Ryan. "Student Loan Forgiveness Is Regressive, Will Increase Tuition." Competitive *Enterprise Institute.* August 2022, https://cei.org/blog/student-loan-forgiveness-is-regressive-will-increase-tuition/

**A longer-term problem is that student loan cancelation will raise the cost of college. As it is now, many families are willing to save and sacrifice for years to pay for their children's educations. Loan forgiveness will not change this. Parents will continue to do everything they can to send their kids to college, and universities know this. With a $10,000 subsidy, colleges can charge $10,000 more for a bachelor's degree.** They will just tell families they can take out a larger loan, which will later be forgiven. For other types of subsidies, they can tell families they are offering a $10,000 discount from an artificially high sticker price. Families will still pay the same amount they do now while thinking they are getting a discount. Taxpayers will give universities the extra $10,000 behind the scenes, in this case through paying for loans.

**Warrant:** The higher cost of education will not be passed on to students in the form of benefits

Young, Ryan. "Student Loan Forgiveness Is Regressive, Will Increase Tuition." Competitive *Enterprise Institute.* August 2022, https://cei.org/blog/student-loan-forgiveness-is-regressive-will-increase-tuition/

**Much of the new money will never reach the classroom. Since 2003, for example, Yale's administrative staff has grown by 1,500 people, or nearly 45 percent. The student body grew by 600, or about 9 percent. Other funds get spent on sports facilities, aquatics centers, and lavish dormitories that look great in brochures, but that students and families might not be willing to pay for if they were aware of their true costs.** This dynamic has already been happening for years with existing lending and financial aid programs. Subsidies are a major reason why college tuition has been increasing faster than inflation for decades. Runaway college costs are an unintended consequence of subsidies, but not an unforeseeable one.

**Analysis:** This response is good because it allows teams to connect to multiple possible impacts. Not only is further action in the Arctic unnecessary, but it may carry negative consequences related to the climate and war as well.

## A/2: Debt forgiveness generates political capital

**Turn:** Debt forgiveness is intensely unpopular. Therefore, it will sap political capital.

**Warrant:** Americans do not want to pay for debt forgiveness

Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." CATO, September 2022, https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it

The Cato 2022 Student Debt Cancellation National Survey, a new national poll of 2,000 U.S. adults, finds 64% of Americans support the federal government forgiving up to $10,000 in federal student loans for people who earn less than $150,000 a year or less than $300,000 per year for married couples. However, **support for cancelling federal student loan debt plummets when Americans consider its trade-offs. Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may.** About three-fourths of Americans would oppose student debt cancellation if it caused universities to raise their tuition and fees (76%) or if it caused more employers to require college degrees even if not needed to do the job (71%), also known as "credential inflation."

**Warrant:** Independents oppose debt relief in many circumstances

Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." CATO, September 2022, https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it

A majority (56%) of Democrats would continue to support student debt cancellation even if it raised taxes. But Democrats turn against forgiving $10,000 in student debt per borrower if doing so meant colleges would raise their prices (67%) or if it led to credential inflation (64%). **Although independents initially support (58%) student debt cancellation, they oppose if it raises taxes (70%), benefits the well-off (74%), raises tuition rates (79%), or leads to credential inflation (71%). Republicans oppose (63%) student debt cancellation even before being asked about these potential costs. But their opposition rises about 20 points if cancellation led to tuition inflation (82%), credential inflation (83%), higher taxes (81%) or advantaged the well-off (78%).**

**Warrant:** Americans do not want colleges to raise their prices

Boehm, Eric. "Most Americans Support Student Debt Forgiveness Until They Think About It." Reason Magazine, September 2022, https://reason.com/2022/09/02/most-americans-support-student-debt-forgiveness-until-they-think-about-it/

**If student loan forgiveness means colleges will raise their prices, for example, support for the policy plummets to 25 percent overall (and 31 percent from Democrats). But that's probably the most obvious and inevitable consequence of forgiving student debt**—and, more accurately, of Biden's decision to change how student loan repayment plans will work in the future. The new loan-repayment structure caps payments as a percentage of a borrower's income, meaning that the amount borrowed above the cap becomes effectively meaningless. Colleges will be able to raise tuition to astronomical levels while telling students not to worry about the amount because what they owe in repayment will be capped.

**Warrant:** Americans do not want debt forgiveness to help the rich

Boehm, Eric. "Most Americans Support Student Debt Forgiveness Until They Think About It." Reason Magazine, September 2022, https://reason.com/2022/09/02/most-americans-support-student-debt-forgiveness-until-they-think-about-it/

What if student loan forgiveness also caused more employers to require a college degree, even for jobs that someone could do without spending four years studying various unrelated topics? When presented with that possibility, only 29 percent of respondents (and 36 percent of Democrats) in the Cato/YouGov poll say they would support Biden's policy. Too bad, because that's a likely outcome, too. And **what if most of the benefits of student debt forgiveness accrued to wealthier Americans? Then support for the policy falls to 32 percent overall and 44 percent among Democrats.**

**Analysis:** This response is good because it illustrates that while Americans might support a theoretical loan forgiveness program, they are unlikely to actually raise political capital once they find out about the tradeoffs that such a program would require.

## A/2: Student loans are expensive

**Delink:** Student loan burdens are overblown

**Warrant:** The US government has previously threatened to send vessels to the Arctic for the purposes of securing the Northern Sea Route

Bowen, William. "The student loan debt crisis is overblown. The real problem is college completion rates." *Vox*, March 2016, https://www.vox.com/2016/7/22/12254046/myths-higher-education-crisis-debt-loans-free-tuition/.

**Forty percent of public-college students owe nothing when they graduate, and the vast majority of people with six-figure borrowing for higher education have gone to graduate or professional school — often financing medical, dental, or other degrees that are likely to lead to very good incomes. Among the 60 percent of public-college bachelor's recipients in 2013-14 who did borrow, the average amount was $25,500.** Powerful new data from the US Treasury department makes clear that the people who are most likely to get in trouble with debt are those who dropped out of college before they earned a credential, and who therefore have weak job prospects. Often they have borrowed relatively little money but have few resources and no doubt little enthusiasm for repaying what they owe. Dropouts are almost three times as likely to default on their loans as graduates are. It is this subgroup's debt that ought to be driving the conversation, not the debt of the "average" college student.

**Warrant:** College graduates have plenty of economic opportunity

Bowen, William. "The student loan debt crisis is overblown. The real problem is college completion rates." *Vox*, March 2016, https://www.vox.com/2016/7/22/12254046/myths-higher-education-crisis-debt-loans-free-tuition/.

College degrees, and bachelor's degrees especially, pay off big-time. It is certainly a mistake to think that the point of life, or of college, is to make as much money as possible, but there is nothing foolish about expecting that an investment of substantial time and money in one's future will yield the prospect of a better material life. The financial crash generated lots of stories about recent college graduates being unemployed or taking so-called non-college jobs. In fact, though, for decades the unemployment rate for people with only a high school degree has consistently been about twice as high as that for those with bachelor's degrees. In 2015, 5.4 percent of high school grads aged 25 and over were unemployed, compared to 2.8 percent for BA holders. The figure for those with advanced degrees was even lower. What's more, recent years have seen the highest ratio of BA-to-high-school earnings in history. The worst outcomes occur for those who have only a high school diploma or less.

**Warrant:** College benefits justify the debt burden

Allen, Nichole. "The Myth of the Student-Loan Crisis." *The Atlantic*, March 2013, https://www.theatlantic.com/magazine/archive/2013/03/myth-student-loan-crisis/309231/

**College is such a good investment, in fact, that it might even justify more student debt. A 2012 study found that 1 in 6 full-time students at four-year schools who were eligible for government loans weren't taking advantage of them. Another found that low-income families are likely to overestimate the cost of college, and suggested that they may be scared off by the complexity of financial-aid forms. But for students from these families, not going to college can be more expensive than going to college.** Each of the 6.7 million Americans ages 16 to 24 who are neither employed nor in school costs the country $37,450 a year in lost wages, lost tax revenue, and higher public spending. Compared with this figure, the cost of college is a bargain.

**Warrant:** College is cheaper than expected

Allen, Nichole. "The Myth of the Student-Loan Crisis." *The Atlantic*, March 2013, https://www.theatlantic.com/magazine/archive/2013/03/myth-student-loan-crisis/309231/

This month, college-admission letters are being accompanied by national anxiety over the growing "student-debt crisis." The cost of college has spiked 150 percent since 1995, compared with a 50 percent increase in the cost of other goods and services. Last year, outstanding student loans soared to nearly $1 trillion—a 300 percent jump since 2003. College is an undeniably risky investment, seemingly more so than ever. But are rising debt levels a national crisis? **One year at Harvard costs $57,950. But most students don't go to Harvard. The average yearly tab for a first-time, full-time student living on campus, it turns out, is $27,453 at four-year schools and $15.267 at two-year schools. Even most of the students who do go to Harvard don't end up paying full price.** Taking grants and scholar- ships into account, these students owed $16,459 for the 2009-10 school year; nationwide, the average four- year student who received aid owed $17,360.

**Analysis:** This is a good response because it shows that the student debt situation is manageable. As long as college graduates earn more money than their counterparts, debt can be repaid. Argue that targeted debt relief is better than blanket forgiveness.

## A/2: Student loans hurt low income students

**Answer:** Debt forgiveness flows to the rich.

**Warrant:** Most student debt is held by the rich

Polumbo, Brad. “Student Debt Forgiveness Would Benefit 'High-Wealth Households' the Most, New Study Says.” *Foundation for Economic Education*, Jan. 2022, https://fee.org/articles/student-debt-forgiveness-would-benefit-high-wealth-households-the-most-new-study-says/

This means **that forcing taxpayers to eat the loss for mass student debt cancellation gives the top 20% of income earners roughly three times as much benefit as it gives the bottom 20%.** Yes, seriously! “Measured appropriately, student debt is concentrated among high-wealth households and loan forgiveness is regressive whether measured by income, educational attainment, or wealth,” Brookings Nonresident Senior Fellow in Economic Studies Adam Looney concludes. “ **Across-the- board forgiveness is therefore a costly and ineffective way to reduce economic gaps by race or socioeconomic status.” This isn’t the only finding of its kind. Another study found that canceling student debt gives six times more benefit to the top 20% than the bottom 20%.** The exact numerical values vary depending on how you run the numbers, but the takeaway is clear. Because college graduates earn more than the average American, forcing everyone to collectively eat the loss for their education is actually a regressive redistribution of wealth.

**Warrant:** Loan forgiveness is regressive and ignores the costs of the policy

Polumbo, Brad. “Student Debt Forgiveness Would Benefit 'High-Wealth Households' the Most, New Study Says.” *Foundation for Economic Education*, Jan. 2022, https://fee.org/articles/student-debt-forgiveness-would-benefit-high-wealth-households-the-most-new-study-says/

**It also ignores the root causes of this very real problem. Yes, college tuition is way too expensive. But that's largely because of misguided federal subsidies that inflated the cost of college to begin with. Only progressives could argue that the solution to a problem created by government meddling is more government meddling.** Ultimately, student debt cancellation is a scam. Forget robbing the rich to feed the poor; student debt cancellation is robbing the workers to give bailouts to the wealthy. Yet for some reason, progressive politicians flip-flop all their regular positions and principles and support this policy despite its highly regressive nature. Why? Well, the cynic in me would point out that wealthier, college-educated people are overwhelmingly a Democratic voting constituency.

**Warrant:** College students will make the most money during their lifetime

Sheffley, Ayelet. "Canceling student debt would be 'very unfair' and favor those who make 'lots of money in their lifetime,' former Fed Chair Bernanke says." *Business Insider*, May 2022, https://www.businessinsider.com/canceling-student-debt-very-unfair-favor-wealthy-fed-chair-bernanke-2022-5

**A former chair of the Federal Reserve thinks President Joe Biden should think twice about canceling student debt. "It would be very unfair to eliminate," Ben Bernanke, who served in the Fed from 2006-2014, told The New York Times. "Many of the people who have large amounts of student debt are professionals who are going to go on and make lots of money in their lifetime. So why would we be favoring them over somebody who didn't go to college, for example?"** His views on student-loan relief are ones shared by many conservatives who believe debt relief will help the wealthy, and not the low-income earners who need it most. As Insider previously reported, Republican

> lawmakers are growing increasingly concerned Biden will actually cancel some student debt, which he pledged to do on his campaign trail. The president recently said a decision on relief will be made in the coming weeks — and before the pause on student-loan payments expires at the end of August — and the question now is focused not so much on whether debt cancellation will happen, but how much.

**Analysis:** Show the judge that most student debt is held by wealthy individuals who will earn more than their non-college-educated peers over their lifetimes. Make your opponent justify student loan relief as opposed to other welfare programs.

## A/2: Student loans hurt marginalized groups

**Answer:** Debt forgiveness is a short-term solution

**Warrant:** Debt cancellation may increase costs in the future

Staff. "Who Benefits from Debt Cancellation?." JP Morgan, March 2021, https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-cancellation

Debt cancellation may create moral hazard problems if people believe there will be future debt cancellations. **If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise. A policy with a hard income limit may also induce people to adapt to the cut off—the limit could create a marginal incentive to reduce work or to cut reported income in other ways.** However, a one-time cancellation based on already filed tax documents could lessen these problems, insofar as the government can convince the public the cancellation is a one-time action. However, if cancellation is not coupled with some reduction of the ongoing economic pressures that caused the accumulation of debt in the first place, claims of a "one-time" cancellation are less credible, increasing the chance of moral hazard problems.

**Warrant:** Debt cancellation does nothing about the long term

Staff. "Who Benefits from Debt Cancellation?." JP Morgan, March 2021, https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-cancellation

6. **One-time student loan forgiveness addresses the stock of student loan debt today but does nothing to reduce the amount of debt accrued tomorrow. As noted above, even in the most generous cancellation scenario, student loan debt would total over $900 billion, roughly on par with 2012 levels.** Any economic forces that contributed to the current stock of student debt today, such as increasing tuition costs and increasing enrollment among low-income families, will continue to push tomorrow's students to accumulate debt. Any long-term solution to relieving students is incomplete without addressing these underlying forces.

**Warrant:** Debt levels would return in a short period

Staff. "How Long Before Cancelled Student Debt Would Return?," *Committee on a Responsible Federal Budget*, July 2022, https://www.crfb.org/blogs/archive-2-how-long-cancelled-student-debt-would-return

**Federal student loan borrowers currently owe $1.6 trillion of student debt to the federal government. Cancelling some or all debt for current borrowers would reduce the debt burden. However, without underlying reforms to reduce the overall cost of, or the amount borrowed for, education, this reduction would only be temporary**. We estimate that absent other reforms in federal financial aid, outstanding federal student loan debt would return to the current $1.6 trillion level relatively soon after cancellation.1 With conservative assumptions, we find: Debt would return to $1.6 trillion four years after $10,000 per borrower was cancelled. Debt would return to $1.6 trillion 10 years after $50,000 per borrower was cancelled. **Debt would return to $1.6 trillion 15 years after all debt was cancelled.**

**Warrant:** Debt would likely grow faster

Staff. "How Long Before Cancelled Student Debt Would Return?," *Committee on a Responsible Federal Budget*, July 2022, https://www.crfb.org/blogs/archive-2-how-long-cancelled-student-debt-would-return

**Importantly, these projections assume no change in borrower behavior. In reality, debt cancellation would likely lead to increased borrowing, slower repayment, and larger tuition increases as borrowers and schools would expect another round of cancellation in the future. Any behavioral changes would mean the portfolio would return even faster to its current size.** Projected Student Debt Growth After Cancellation. There is currently $1.6 trillion of total outstanding federal student student debt. Using data from the Department of Education, we estimate that cancelling $10,000 of student debt would reduce the portfolio to $1.2 trillion, cancelling $50,000 would reduce it to about $550 billion, and cancelling all debt would, of course, reduce the portfolio to $0. But after cancellation, the loan portfolio would grow quickly and soon return to its current level in each scenario.

**Analysis:** This response works well to show that even though the racial student loan gap is a problem, debt forgiveness will not solve it. Make the case that long-term structural reforms are needed instead.

## A/2: Debt forgiveness would increase homeownership rates among youth

**Argument:** Student loan forgiveness would inflate home prices in ways that worsen inequality and actual homeownership rates.

**Warrant:** Biden’s moratorium on student loan payments coincided with significant increases in home loan prices, rents, and median home prices.

Hardy, Adam. “The Return of Student Loan Payments Could Put the Squeeze on Homebuyers.” Money, 26 Jul. 2023. https://money.com/student-loan-payments-squeeze-homebuyers/.

Zillow’s analysis assumes that borrowers were able to save the money that would have been going toward their student loan payments throughout the moratorium. It’s not clear how many borrowers were actually able to do that. Separate research suggests that borrowers have put that money to use elsewhere — and in some cases, **the skyrocketing cost of everyday necessities has staked its claim on the cash that was freed up from paused payments. For instance, just in terms of housing costs throughout the pandemic, Zillow says new home loans have more than doubled in price. Rents have risen about 27%. According to data from the Federal Reserve of St. Louis, median home prices have risen more than 35% since the student loan moratorium went into effect**.

**Warrant:** The current housing shortage will exacerbate this increase in home prices to create unaffordable homes.

Capisi, Natalie & Rachel Witkowski. “Homebuyers Running Out of Supply Options as Housing Supply Hits All-Time Low.” Forbes Advisor, 28 Sept. 2023.

https://www.forbes.com/advisor/mortgages/real-estate/homes-for-sale-hit-record-low/.

Home prices and sales have continued to climb despite a small cooling in the winter. But **the housing market is running up against a new dilemma—the supply of existing homes for sale has hit a historical low nationwide, which fuels price competition even more**. **Total housing inventory fell to a record low of 910,100 units in December, down 18% from the prior month and 14.2% from a year ago, according to the National Association of Realtors (NAR). It was the lowest amount in more than 20 years since the data had been collected.** "We saw inventory numbers hit an all-time low in December," said NAR's Chief Economist Lawrence Yun, in the data release. "Homebuilders have already made strides in 2022 to increase supply, **but reversing gaps like the ones we've seen recently will take years to correct."The tight housing supply also means homebuyers are competing for fewer houses on the market. Because of this, most housing experts say prices will likely continue to climb.**

**Impact:** Increased home prices reward private equity firms with greater access to capital to lock most families out of homeownership indefinitely by buying up the market.

Waters, Carlos. "Wall Street has purchased hundreds of thousands of single-family homes since the Great Recession. Here's what that means for rental prices." CNBC, 21 Feb. 2023. https://www.cnbc.com/2023/02/21/how-wall-street-bought-single-family-homes-and-put-them-up-for-rent.html.

**Institutional investors may control 40% of U.S. single-family rental homes by 2030, according to MetLife Investment Management**. And a group of Washington, D.C., lawmakers say Wall Street needs to back away from the market. "What we're saying is don't have private equity buying up single-family homes," said Rep. Ro Khanna, a Democrat representing California's 17th Congressional District. Khanna is the lead author of the Stop Wall Street Landlords Act of 2022. "What's outrageous is your tax dollars are helping Wall Street buy up single-family homes," he said in an interview with CNBC. The single-family rental industry got its start with government backing in the fallout after the 2008 financial crisis. "It was that rare opportunity that attracted the institutions to build a portfolio out of these foreclosed properties," said Steven Xiao, an assistant professor of finance and managerial economics at the University of Texas at Dallas. Since the early 2010s, **Tricon Residential, Progress Residential, American Homes 4 Rent and Invitation Homes have each bought thousands of homes**. They've also added to the housing supply in some cases with built-for-rent communities. **Some of these companies are financed by private equity firms such as Blackstone and investment managers such as Pretium Partners**. "It's almost a captive market," said Jordan Ash, director of labor-jobs and housing at the Private Equity Stakeholder Project. "**They've been very explicit about how people are shut out of the homebuying market and are going to be perpetual renters."** These calls come after **fierce housing inflation hit many Sun Belt states, including Texas, Florida and Georgia**, according to the National Association of Realtors. **The prices in some Sun Belt markets have outpaced national figures for rent inflation, according to research compiled by Zumper for CNBC. Between January 2020 and January 2023, rents for a two-bed detached home increased about 44% in Tampa, Florida, 43% in Phoenix, and 35% near Atlanta. That's compared with a 24% increase nationwide.** Industry advocates argue that they do not control enough market share to dictate prices in any market. Large institutions owned roughly 5% of the 14 million single-family rentals nationally in early 2022, according to analysts.

**Impact:** When increased home prices lead to a bubble, eventual crashes leave homeowners devastated.

Finley, Allysia. "The Student-Debt Bubble Fueled a Housing Bubble." Wall Street Journal, 10 Sept. 2023. https://www.wsj.com/articles/the-student-debt-bubble-fueled-a-housing-bubble-debt-income-obama-fannie-freddie-bd29b05c

**Home prices in the San Francisco Bay Area have plunged amid rising mortgage Interest rates. The total value of the city's homes has fallen by roughly $60 billion since last summer**, **causing about 1 in 8 recent sellers to take a loss**, real-estate website Redfin reported last week. San Francisco's deflating home market doesn't necessarily reflect the whole nation, but it isn't surprising. **Easy money and excessively supportive government policy during the pandemic fueled a surge in housing prices nationwide. The withdrawal of cheap credit will doubtless cause pain, though where and how is hard to predict**. Credit scores of home buyers have generally improved since the 2000 bubble years thanks in part to changes in FICO's calculations that reduced penalties for unpaid medical debt. A decade of historically low interest rates also made it easier for buyers to finance debt.

**Impact:** Housing and rental price increases result in homelessness.

Sanchez, Pierina Ana et al. "Pushed Out: Countering Housing Displacement in an Unaffordable Region." Urban Matters, 21 Feb. 2018. http://www.centernyc.org/pushed-out.

**In New York City's tristate metro region, more than one million low- to moderate-income households, 70% of them Black or Hispanic, are vulnerable to displacement.** As the Regional Plan Association's recent report on this crisis shows, those most at risk live in pedestrian-friendly urban communities with good access to jobs and services. As demand pushes rents and sale prices in such areas upward, lower-income households are pushed outward. **There is a clear link between increasing rents, displacement, and homelessness. In New York City, a 5% rent increase has been associated with an**

**additional 3,000 residents becoming homeless.** The current situation is largely the result of decades of discriminatory policies, such as unequal access to financing and restrictive covenants that prohibited people of color from living in the suburbs. Black and Hispanic families were largely confined to urban areas that today are experiencing growth and reinvestment, and were also often prevented from owning homes and building equity and stability, increasing vulnerability to the shifting forces of the housing market.

**Analysis:** While coinciding factors will lead to exorbitantly high housing prices, this argument is extremely vulnerable to criticisms about uniqueness because the housing shortage happens in both Pro and Con worlds and Private Equity firms have been buying up housing since 2008 with few obvious impacts. Nevertheless, characterizing home and rental prices as being now completely inaccessible to poor people makes the tie from the first warrant to the last impact very clear, so emphasize those two cards over others.

## A/2: Debt forgiveness would boost entrepreneurship

**Argument:** The inflationary affects of student loan debt cancellation would create economic conditions so hostile that it would counteract any boost in entrepreneurship.

**Warrant:** Funding even limited forgiveness plans like Biden's requires deficit spending that creates persistent and sustained inflationary pressures.

George, Aubrey & Thomas Lubik. "Student Debt Cancellation Raises the Price Level and Inflation." Federal Reserve Bank of Richmond, 11 Oct. 2022. https://www.richmondfed.org/research/national_economy/macro_minute/2022/mm_10_11_22.

At the end of June, **total outstanding federal debt stood at $30.6 trillion.** The various estimates suggest that debt forgiveness adds roughly 1 percent to the outstanding nominal debt, which is about the size of a full year's primary deficit. **As the fiscal theory suggests, this must be covered by future revenues. Since the student loan cancellation program is unfunded, all else equal there won't be any additional future revenues to offset this increase**. Thus, **the real burden has to decline. This is achieved by an increase in the price level**. Using the relationship in Figure 1, we calculate this as an increase of the PCE price level from 295.7 to a midpoint of estimates of 300.2, plus or minus 0.9. **As shown in Table 1, the increase in price level represents a monthly inflation rate of up to 1.7 percent**. This number is certainly an upper bound as there are various mitigating factors: The price level may not rise instantaneously, as some contractual prices in the economy are fixed. Some aspects of loan forgiveness may be modified or phased in later so that the expected present discounted value is smaller. There may be compensating factors, as Congress may pivot to tax hikes to combat the unfunded debt forgiveness.In addition, at the time of this writing, there are legal challenges proceeding that may prevent debt forgiveness from being implemented at all. There could also be some stimulating impact, as the debt cancellation could free up borrowers' cash flow, and the additional spending may create more tax revenue. However, at the same time, this is also likely to be inflationary. **Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates.**[1] **To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future.** The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation proposal.

**Warrant:** Inflation makes hostile conditions for small businesses.

Camberato, Joe. "The Impact of Inflation on Smal Businesses and How to Manage It." Forbes, 25 May 2022. https://www.forbes.com/sites/forbesfinancecouncil/2022/05/25/the-impact-of-inflation-on-small-businesses-and-how-to-manage-it/?sh=2e791267ae41.

Since the pandemic began, businesses have been struggling to deal with the rising costs of inflation. Covid-19 just fast-tracked the inevitable—ongoing supply chain issues made it harder to access goods, which drove up the prices. Here are some of the most significant ways small businesses have been impacted by inflation: **Higher costs:** According to a Business.org survey, 92% of small-business owners surveyed have dealt with rising costs since the beginning of the pandemic. **The supplies and services you need to run your business are more expensive,** and 26% have seen their costs rise by 20%. Rising prices: Because **running a business is more costly,** over 80% of small-business owners have increased their prices in an attempt to counter inflation. Of course, this can be a risky move since some of your customers may not accept these higher price points. Cutting overhead expenses: In addition to raising prices, cutting your overhead costs can be a good way to manage inflation. **Many business owners**

**have been forced to reduce their inventory, cut marketing costs and look for other ways to save money.** Tighter profit margins**: And finally, rising costs often result in tighter profit margins. This makes it harder for businesses to reach their margins and remain profitable over time.**

**Impact:** Inflation spooks venture capital investors who then are not willing to invest in startups to support their success or even their creation.

Huddleston, Tom. "Startup funding has tanked over the past year—and recession fears are to blame." CNBC, 12 Jan 2023. https://www.cnbc.com/2023/01/12/startup-investment-fell-in-late-2022-amid-recession-fear-crunchbase.html.

**Venture capital investors are pumping the brakes on aggressive funding of startups**, **spooked by an uncertain economic picture**, plunging tech industry stock prices and growing recession fears. **In the final quarter of 2022, investments in North American startups fell 63% compared to the same period a year earlier, according to a new Crunchbase report**. In other words, If you're among the large number of Americans hoping to quit your job and pursue a side hustle full-time, you may want to wait a while. **"A year ago, we were not anticipating we would be where we are today," Jeff Grabow, a venture capital leader at global accounting firm Ernst & Young, tells CNBC Make It. "There [were] none of the storm clouds on the horizon that have come in through geopolitical instability, inflation being more endemic, and having rising interest rates and recessionary fears."**

**Analysis**: There are a significant number of blocks to the argument that this would create inflationary pressures, but this is a very tenable position from classical economics. Be aware of comprehensive weighing which talks about imminent economic slowdown: there are a significant number of commentators very worried about a slowdown as people have less disposable income due to the resumption of student loan payments, and the negative impacts of this would also be injurious to small businesses.

## A/2: Debt forgiveness would encourage family-building.

**Argument:** Student loans are not a significant reason that people are not having children.

**Warrant:** While debt affects how people transition towards key life events like marriage and decisions regarding fertility by potentially delaying the transition, it is conceived as a short-term effect that does not affect couples' long-term life goals about having children or getting married.

Nau, Michael et al. "Can't Afford a Baby? Debt and Young Americans." *Research in Social Stratification and Mobility*, vol. 42, 114-122, Dec. 2015. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5231614/.

Debt may be particularly influential in the early stages of the adult life course. For many youth, the late teens to the mid-20s are a time of growing demand for spending – on education, on developing the resources for first jobs (such as transportation and clothing for work), and on setting up independent households – but slow growth in income. **Debt may therefore be more important in enabling and constraining key transitions like fertility in the early years than later when financial lives may have become more secure** (Bozick & Estacion, 2014). **Conceptually, debt is most likely to exert shorter-term effects on the timing of large life decisions like fertility, similar to other factors that affect fertility, like postsecondary education** (Brand & Davis, 2011). **It is unlikely that indebtedness would be sufficiently large (for most) to significantly change the decision to have children at all, but may affect the timing of fertility. Indeed even factors like class and race that have large effects on fertility have little effect on total fertility in recent years, which has converged across social groups, but rather influence timing and patterning** (Sweeney and Raley, 2014). Similarly, in their analysis of debt and marriage, Bozick and Estacion (2014) find that debt has effects mainly in delaying marriage rather than encouraging youth to forego marriage altogether.

**Warrant:** Families are not ceasing to have children; they are just delaying their decisions because they have more educational opportunities.

Brown, Patrick. "Examining the Relationship Between Higher Education and Family Formation." United States Congress Joint Economic Committee, 3 Nov. 2021. https://www.jec.senate.gov/public/index.cfm/republicans/2021/11/examining-the-relationship-between-higher-education-and-family-formation.

These two facts have led many to associate rising student loan burdens with delayed marriage and parenthood.[5] A study by a private student loan lender found that roughly one-third of adults who attended college "might" consider delaying marriage due to education-related debt.[6] "How could I consider having children if I can barely support myself?" asked one Chicago woman who graduated from a for-profit interior design school with six figures of debt.[7] But **declining marriage and fertility rates are happening across the board, while student loan burdens are less widespread**. According to the Federal Reserve**, 70 percent of all U.S. adults, including 57 percent of those who attended college, have never incurred education-related debt.[8] A full two-thirds of the Millennial generation, who came of age during the rapid run-up in education-related debt, hold no student loan debt.[9] Additionally, education-related debt is an investment as well as an obligation**. Paying for higher education through student loans is one way of increasing human capital, and this makes it both a liability and an asset. The Social Capital Project has identified "making it more affordable to raise a family" as one of the core goals of our work. [10] Proposals to reduce or eliminate student debt on a large scale are often proposed in the spirit of lifting barriers to family formation, allowing young adults to marry or become parents.[11] But **understanding what role student debt plays in the lives of young Americans is**

> **important before adopting widespread policy prescriptions. Careful consideration of the research suggests that some individuals with exceptionally high loan burdens, particularly women, are more likely to delay marriage. There is less evidence that student loans are associated with lower fertility.** And on balance, large debt burdens are largely shouldered by a largely self-selected subset of households, many with higher educational attainment and higher earning potential.

**Analysis:** This is a surprising conclusion which is very good for attacking a very common Pro point. Use common sense and provide the judges with analogies to other major life decisions to demonstrate the difficult of the other argument.

## A/2: Debt forgiveness helps people save better.

**Argument:** Debt forgiveness does not solve structural problems preventing Americans from accumulating wealth and actually increases the debt taken on by future college students.

**Warrant:** Forgiveness increases the price of college for future students and encourages them to take on more debt.

Burke, Lisa. "Democratic Plan to Forgive Student Loans Could Raise Tuition and Hurt Those at the Bottom." The Heritage Foundation, 23 Feb. 2021. https://www.heritage.org/education/commentary/democratic-plan-forgive-student-loans-could-raise-tuition-and-hurt-those-the

**Forgiveness proposals** would unfairly foist a borrower's debt onto strangers, including those who made a conscious decision not to attend college to avoid debt or to go to a school they otherwise wouldn't have because it was less expensive. At the same time, it **would almost certainly lead to the cost of college increasing for future students**. Canceling student debt requires individuals at the lower end of the income spectrum to pay off the debt of college graduates who, statistically, are likely to out-earn them. Nearly two-thirds of adults do not hold bachelor's degrees today. A bachelor's degree is worth $2.8 million on average over the course of a lifetime, with degree holders earning 74 percent more than individuals with just a high school diploma, according to research by Georgetown University. Those earning professional degrees (for attending law school or medical school, say) are likely to benefit even more, earning 61 percent more on average than someone with a bachelor's degree over their working lifetime. Forgiveness would also punish responsible borrowers who worked carefully to pay off their debts, sacrificing dinners out or living in modest apartments to make good on their loans. As Carlo Salerno of CampusLogic points out, it would reward the person who "borrows to get a Ferrari over the one who got a Kia." Worse—**in an ironic twist—loan**

**cancellation would create tremendous inflationary pressure to raise tuition prices higher. There is evidence to support the theory that federal subsidies—which include loan forgiveness and subsidized student loans—increase the cost of college. In the last 20 years, the federal government's total inflation-adjusted spending on student loans has skyrocketed, from $50 billion in the 1999-2000 school year to $87 billion in 2019-2020. Concurrently, in-state tuition at public universities increased by 120 percent in real terms over the same time period**. According to the economic theory developed by former Reagan administration Education Secretary William Bennett, **increases in federal student aid enable colleges to raise tuition prices since students have more access to financing.** Researchers **Grey Gordon and Aaron Hedlund backed this theory up with quantitative models finding that raising subsidized loan limits led to a 102 percent increase in tuition between 1987 and 2010. Without those additional federal subsidies, the authors estimate tuition would have only gone up by 16 percent on net**. Similarly, a study by **the Federal Reserve Bank of New York found that increasing subsidized federal student loans leads to a tuition increase of 60 cents for every additional dollar of subsidized federal loans. That is, for every extra dollar Washington spends on federally subsidized student loans, colleges are estimated to raise tuition 60 cents to take advantage of students whose spending abilities have increased because of the new federal subsidies**.

**Warrant:** Debt forgiveness is not a feasible solution for every student loan recipient because it encourages moral hazard and universal college education does not serve US economic interests.

Farrington, Robert. "The Moral Hazard of Student Loan Forgiveness." Forbes, 25 Jun. 2019. https://www.forbes.com/sites/robertfarrington/2019/06/25/the-moral-hazard-of-student-loan-forgiveness/?sh=3425c081364c.

Finally, let's not forget that **broad student loan forgiveness and "free college" plans do nothing to address the growing problem of rising college costs**. According to Senior Financial Analyst Riley Adams, who also blogs at Young and the Invested, **moving ahead with full loan forgiveness solely as a means for resolving the growing student loan debt crisis will lead to unintended consequences with perverse incentives for students and society. By awarding blanket student loan forgiveness, students may have no incentive to head into desired majors or fields of study which would be more in line with the needs of our economy, he says.** Plus, without appropriate cost controls in place, many will try to go to college "just because," even if they're not a good candidate for college to begin with**. Not everyone needs to go to college from a societal perspective, says Riley. Many crucial roles also do not require a college education to begin with. "By granting loan forgiveness to anyone, it can make college the default choice when it does not necessarily need to be."**

**Impact:** The rising cost of college for future students will contribute to the increasing cost of living increases dropout rates.

Masterson, Victoria. "More students are dropping out of college in the US—here's why." World Economic Forum, 6 Sept. 2022. https://www.weforum.org/agenda/2022/09/ college-student-dropouts-2022/.

Workers are in high demand in the US and 31% of students dropping out of college after this term say it's to find a job. Another 31% say they're quitting college because they're not sure what they want to study. These students may decide to "stop investing time and money into a degree they might not actually want, and find a job while the getting is good," Intelligent.com suggests. **The rising cost of living is the reason 29% of students say they're not returning to college. They "can't afford regular living expenses due to inflation,"** the survey authors say. Mental and physical health issues, **not being able to afford tuition and the impact of COVID-19 on college life are some of the other main**

**reasons for quitting**. Online students are "slightly more likely" than students attending in-person classes or a mix of both to say they're dropping out of college after this term.

**Impact:** Higher dropout rates create greater negative impacts to debt because dropouts are more likely to default.

Ezarik, Melissa. "New analysis: Student loan borrowers with no degree." University Business, 12 Nov. 2020. https://universitybusiness.com/new-analysis-student-loan-borrowers-with-no-degree/.

It's a popular club that often has a lifetime membership, but it's one that no one wants to be a member of: the group of adults who have student loan debt but no diploma to show for it. According to a new analysis from OneClass—a provider of exam study guides, lecture notes and video tutorials created by top students—**57% of students who take on debt for college don't go on to graduate. The dropout rate for all students lands at 40%, meaning those who need loans drop out a lot more often than their non-borrowing peers.** The percentages of dropouts with student loan debt are close to the overall average for public colleges and universities/community colleges (56%) and for-profit colleges (59%). The percentage is a bit lower, 48%, for those who dropped out of private nonprofit colleges. **Much research has pointed to the college degree significantly opening up individuals' earning potential. So not surprisingly, it takes longer for borrowers who drop out to chip away at their debt. Department of Education data showed that 12 years after starting college, those who graduated had on average 58% of their loan balance yet. But those who never graduated had 84% of their loan balance left.** The median amount that group still owed: $24,400 (compared to $11,700 for those how had obtained a bachelor's degree or higher**). Not graduating also impacts student loan defaults. OneClass researchers found that college dropouts are four times as likely to default on their loans compared to their graduating**

**counterparts. That finding is an increase from an earlier longitudinal study where default rates were three times higher for those who didn't graduate.**

**Analysis:** When using this block, make sure you understand the link chain: increased demand for college leads to higher tuition costs which leads to greater burdens on ***future*** borrowers who are then more likely to drop out and default. Be aware of criticism on the sourcing of the early links in this case because the argument that student loans increase tuition prices is very controversial.

## A/2: Student loans damage mental health.

**Argument:** The economic impacts of student loan forgiveness cause worse mental health outcomes.

**Warrant:** Student debt cancellation would cause significant inflation.

Committee for a Responsible Federal Budget. "Student Debt Changes Would Boost Inflation." Other Spending: Economics, 26 Aug. 2022. https://www.crfb.org/blogs/student-debt-changes-would-boost-inflation.

**The student debt changes will increase inflation in three ways – by reducing the amount of income households use to pay down debt over the next year, by increasing household wealth, and by putting upward pressure on tuition costs. The changes will end payments for four months for all borrowers and in perpetuity for nearly half of them, thereby boosting household cash flow.** Most remaining borrowers will see lower payments as a result of reduced debt burden and – ultimately – changes to the IDR program. **Overall, we estimate student debt payments over the next 12 months will be roughly $50 billion lower as a result of the announced changes. We assume the debt cancellation will be distributionally similar to COVID rebate checks and thus have a similar consumption multiplier of 0.5x to 0.6x**; the consumption multiplier for the overall pause will be substantially lower. **The changes will also boost household net wealth by $10,000 or $20,000 per borrower in many cases**.
The economic literature suggests **consumers will spend a portion of that higher wealth – about 3 to 6 percent – on new or accelerated purchases**. Our analysis assumes **2 to 5 percent is spent over the first year. Consistent with our estimates of the output effect of debt cancellation, we assume households will behave as if their wealth has increased by the full amount of cancelled debt.** However, we assume no wealth effect from higher promised future forgiveness under the IDR program. Finally, **debt**

**cancellation may drive up tuition prices by creating the expectation** (and in the case of IDR, promise) **of future debt cancellation, thereby increasing willingness to borrow among prospective students.** Studies have shown that **these effects can lead students and parents to be less sensitive to the cost of tuition, which could encourage colleges and universities to further hike tuition and fees. Importantly, our analysis does not account for these effects**.

**Warrant:** Inflation worsens mental health problems more than any other type of financial trouble.

Wile, Rob. "More Americans are so worried about money it's hurting their mental health." NBC News, 9 May 2023. https://www.nbcnews.com/business/consumer/financial-wealth-and-mental-health-americans-worried-about-money-rcna83569.

**Worries about money are taking a toll on Americans, leading to some negative impacts on their mental health.** That's according to a new survey from the financial information group Bankrate. The survey found **52% of respondents listed money as the thing that takes the biggest toll on their mental health, compared with 42% who blamed worries about their own health and 41% who listed current events as their top concern**. The latest finding compares with **42% of U.S. adults who said money was their top concern last year**. Mental health distress can manifest in many ways. For the Bankrate survey, that definition includes feelings of anxiety, stress, worried thoughts, difficulty sleeping and depression. **The results come ahead of Wednesday's inflation report, which is predicted to show year-on-year price increases stayed at 5% for the second consecutive month through April**. Still, some analysts say **the inflation rate is likely to come in ahead of that figure given recent increases in used car prices and ongoing wage hikes.** That money-induced stress is also unfolding at a time when more American adults are confronting financial disaster, including upticks in car repossessions and home foreclosures. **Within the "money" category in Bankrate's survey, concerns about inflation ranked the most stress-inducing, with 68% naming high prices as their biggest worry.** As many as 60% of the people who responded said they were concerned about paying for everyday expenses, while 56% said lacking emergency funds has them on edge.

**Impact:** Student loan forgiveness would worsen health outcomes, increase substance use, and potentially increase suicide rates.

Melillo, Gianna. "A looming recession threatens Americans' already precarious mental health." The Hill, 23 Jul. 2022. https://thehill.com/changing-america/well-being/mental-health/3570831-a-looming-recession-threatens-americans-already-precarious-mental-health/.

In the past, recessions and economic strife have been linked with worsened mental health outcomes, higher rates of substance use and, in some cases, increased suicide rates. Now, as the nation already grapples with heightened inflation, the threat of a recession and any lingering effects of the COVID-19 pandemic, the United States' mental health care system finds itself understaffed and poorly positioned to meet any additional demand. "The mental health system has yet to be able to meet the demand of communities since its beginnings," said Benjamin Miller, a psychologist and president of Well Being Trust in an interview with Changing America. "We're always playing catch up." The Well Being Trust is a foundation that works to advance Americans' mental, social and spiritual health with a specific goal aimed at addressing deaths of despair. The term "deaths of despair" was first coined by economists Anne Case and Angus Deaton who began researching the reversal of life expectancy gains seen around the year 2000. These deaths were largely driven by alcohol-related liver disease, drug overdoses and suicides, and were concentrated among middle-aged, white American men with less than a four-year college education.

**Analysis:** During weighing, point out that you access the same impact but it is applied to a greater number of people since every consumer and producer (domestically and, arguably, globally) is impacted by this, while only loan recipients are affected by Pro case. Be wary of attacks on the specificity of the impact since it is not absolutely clear that inflation-induced mental health issues have negative impacts on things like suicide rates.