

RESOLUTION NO. ____ OF 2022

A RESOLUTION CALLING UPON THE FEDERAL GOVERNMENT TO URGENTLY ADDRESS THE STUDENT LOAN CRISIS AND ENACT A PLAN TO CANCEL STUDENT LOAN DEBT AND BEGIN THE TRANSITION TO EDUCATION AS A PUBLIC GOOD, AND OTHERWISE PROVIDING WITH RESPECT THERETO.

BY COUNCILMEMBER: TABATHA TAYLOR

WHEREAS, the Shreveport City Council hereby determines that it is timely and necessary to call upon the federal government to urgently address the student loan crisis, enact a plan to cancel student loan debt, and begin the transition to education as a public good; and

WHEREAS, student loan debt burdens more than 44 million Americans, and prevents millions from buying homes, starting businesses, saving for retirement, or even starting families; and

WHEREAS, the student loan crisis impacts nearly 1 in 5 Americans, with Black, Latinx, American Indian and Alaska Native, Asian and Pacific Islander, and other communities of color, low-income residents, and young adults most impacted by student loan debt. Collectively, Americans hold over \$1.6 trillion in student loan debt and growing, and Louisianians alone hold \$22.5 billion in student loan debt; and

WHEREAS, Louisiana’s average median household income is \$50,800, Shreveport is \$40,809, while the state’s average student loan debt balance is \$34,651. This forces many Louisianians to choose between paying down their debt and meeting their immediate needs, 5.9 percent of borrowers are age 60 and above; and

WHEREAS, just over 26 percent of Shreveport residents hold a bachelor’s degree or higher and while Louisiana’s average student debt balance is less the national average, Louisiana has one of the highest default rates in the nation, lower median household income results in higher default rates; and

WHEREAS, college is more expensive, and more essential, than ever before. Advancements in technology are making it harder to earn a living wage without an advanced degree, and college graduates earn on average 80 percent more than those with a high school diploma. While college attendance is higher than ever before, the cost of college education has more than doubled over the past generation. Further, many students who take out loans do not ultimately complete a college degree; the default rate among borrowers who didn’t complete their degree is three times higher than the rate for borrowers who did earn a degree; and

WHEREAS, the student loan crisis is an issue of racial equity. On average, Black students are more likely to take out student loans; Black borrowers owe more than white borrowers; and Black borrowers pay down their debt more slowly, in part due to the racial wealth gap, the racial pay gap, and racial discrimination in hiring. Black students who earned a bachelor’s degree had a default rate nearly four times higher than similarly situation white peers due to complex facets of wealth and wage disparities and structural racism. Black and Latinx students are three times more likely to attend a for-profit college than white students, which are often predatory and result in much higher rates of default. On average, American Indian and Alaska Native student borrowers owe the highest monthly payments. Student debt exacerbates the existing racial wealth gaps and holds many people of color back from building intergeneration wealth; and

WHEREAS, the student loan crisis is an issue of gender equity. While a slight majority of college students are women, women hold roughly two thirds of the nation's student loan debt. Black women, on average, accrue more debt than other women. Because of the gender pay gap, women have a harder time paying off their debt and struggle more financially to do so. A disproportionate number of single mothers attending college attend for-profit colleges and accrue higher levels of debt than students at non-profit colleges. The intersection of racial and gender wage and wealth gaps make it even harder for women of color to afford college, pay down their student debt, and accrue intergenerational wealth; and

WHEREAS, the student loan crisis is an issue of socioeconomic equity. Low-income students and families are more likely to need to take out loans and to default on loans. First generation college students accrue more debt on average than other students and are more likely to default on their loans. Students who are veterans, parents, or caregivers also face higher risk of default. While higher-income communities are more likely to have loan balances due to higher rates of college attendance, there are far higher rates of economic hardship and delinquency resulting from student loans in low-income communities; and

WHEREAS, cancelling student loan debt and eliminating debt in higher education represents a significant economic opportunity for the City of Shreveport to increase spending in our local community, support residents' wealth-building and social mobility, and provide a deeply needed stimulus during recovery from the COVID-19 pandemic; and

WHEREAS, cancelling student loan debt and eliminating debt in higher education will have a considerable positive impact on the thousands of students that attend college in Shreveport and will help advance an equitable, accessible higher education system for all our residents; and

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

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Shreveport in due, regular, and legal session convened that the City Council calls upon the federal government to leverage its authority to urgently address the student loan crisis by enacting a plan to cancel student loan debt and begin the transition to education as a public good.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the President of the United States, President Joseph R. Biden, Senators Bill Cassidy and John Kennedy and Representative Mike Johnson.

BE IT FURTHER RESOLVED, that if any provision or item of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items, or application of this resolution which can be given effect without the invalid provisions, items, or application and, to this end, the provisions of this resolution are hereby declared servable.

BE IT FURTHER RESOLVED that all resolutions or parts thereof in conflict herewith are hereby repealed.

APPROVED AS TO LEGAL FORM:

City Attorney's Office