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April 12, 2021

Subcommittee on Economic Policy
Banking, Housing and Urban Affairs Committee
U.S. Senate
Washington, DC 20510

Dear Senator:

The 3 million members of the National Education Association, who teach and support students in public K-12 schools and higher education institutions across America, thank you for the opportunity to submit comments for the record for the April 13 hearing on the \$1.5-trillion crisis in student loan debt.

During the COVID-19 pandemic, suspension of student loan payments—most recently extended under Executive Order by President Biden—has been a lifeline for borrowers, many of whom have lost jobs or had their work hours or salaries reduced. However, the long-term effects of this crisis will be with us for some time, and those effects will be exacerbated when loan payments resume. Black, Hispanic, and Indigenous borrowers will bear the brunt of these effects because they have suffered greater job losses than have White Americans during this period. These effects will add to the already existing racial wealth gap, caused by generations of discrimination in employment and other areas, that has narrowed opportunities for people of color.

Cancellation of *at least* \$50,000 in student loan debt will strengthen families' financial security, help close the racial wealth gap, and bolster our economy due to increased consumer spending.

Black Americans, especially Black women, are more likely to have to take on student debt and are more frequently targeted by predatory for-profit institutions. These institutions often leave borrowers with little to show—by way of good-paying jobs or high-quality education—for the debt they have accumulated. [Research by Dēmos](#) has found that the typical White male borrower has paid off 44 percent of his loan balance 12 years after beginning college; for the typical Black female borrower, the loan balance has actually *grown* over this time by 13 percent. College debt is particularly burdensome for educators, who are among our society's most crucial and impactful professionals, yet are woefully underpaid. Teachers earn [an average of 19 percent less](#) than comparably educated workers in other fields, according to the Economic Policy Institute.

Many senators have taken steps to address the debt crisis, including Senator Warren, who has called for much-needed reforms to the Public Service Loan Forgiveness (PSLF) program, ending predatory practices in the student loan industry, and cancellation of at least \$50,000 in student debt. NEA has been a longtime champion of these goals.

Toward that end, NEA and 17 other labor unions, collectively representing more than 10 million workers, requested in a [letter to Education Secretary Miguel Cardona](#) that the Department of Education invoke an immediate 90-day review of the PSLF program. We asked that during this review, the department hear the heartbreaking stories from borrowers who have fulfilled their service obligations, yet been failed by the program. We furthermore asked that after the review, the department cancel student loan debt for all public service workers with a decade or more of service.

The cancellation of at least \$50,000 in student loan debt would assist individual borrowers and their families while also improving our nation's economic growth and stability. Again, thank you for turning your attention to this important topic. NEA members are eager to work with you on meeting the tremendous challenge of the crisis in student loan debt.

Sincerely,

A handwritten signature in black ink that reads "Marc Egan". The signature is written in a cursive, flowing style.

Marc Egan
Director of Government Relations
National Education Association