

Sample: Video/Presentation Script

WRITER'S NOTE: **BOLD TEXT SIGNIFIES A TRANSITION TO A NEW SLIDE/ANIMATION**

TITLE SLIDE: WILL THE GOVERNMENT CANCEL STUDENT LOAN DEBT IN 2021?

----- **SECTION DELETED FOR SAMPLE VIEWING** -----

So, why are people suddenly talking about cancelling student loans? Well, the **COVID-19 pandemic** has created an economic situation unlike anything we've seen, and the government already has put a pause on student loan payments that has been in place since **March of 2020**, and will continue until September 2021. This was due mainly to the fact that so many people were out of work due to the many **closures related to COVID-19**. Beyond that, the **collective amount** of student loan debt has tripled in the United States since 2006, and student loan debt is now the largest source of household debt outside of mortgages.

Why has student loan debt ballooned the way it has? A major factor is that **colleges have become more expensive**. The average student at a **public university** spends about twenty-five thousand dollars per year in tuition and fees. For students at **private universities**, tuition and fees can come to double, sometimes triple that amount. And I'm just talking about tuition and school fees — that doesn't include **associated costs of living**; like rent, groceries, social activities; or textbooks - which can also get pretty pricey. Add to that a **job market** that isn't the same as what it used to be — more work that is gig-based rather than salary-based — and you have students holding on to their debt, sometimes even defaulting, at a higher rate than previous.

According to recent figures, **20% of adults** are behind in student loan payments and therefore at risk of defaulting on those loans. Not only that, but a **disproportionate number** of borrowers are younger - those who only went for an undergraduate degree, and often people who dropped out of college. One reason for that being that those who go for advanced degrees, like master's or PhD programs - are more likely to get a higher paying job which enables them to pay down their student loans faster.

That 1.7 trillion dollars in student loan debt is a burden not only to the individuals who are holding pieces of that debt, but also to the entire country's economy. Those debt holders are **not able to contribute** to other economic activities, like buying a

home, because they are busy dealing with their burden of debt. Since the U.S government's **Education Department** is the lender for about 92% of the debt, the burden can be seen as extended to the government's economy as well. The government is **waiting on that debt** to be repaid, and until then **cannot reinvest** that money into the social economy of the country. So the argument to cancel or forgive student loan debt is pretty simple: if you **cancel the debt**, those who were once burdened with paying it back will now be able to **put that money into their local economy**, and eventually that will stimulate the federal economy as well.

In addition to that, student loan debt is disproportionately held by students of colour. According to a study that was published in *Sociology of Race and Ethnicity Journal*, **Black students take on 85%** more educational debt than white students, and that gap **compounds by 7%** each year after they leave school. We've linked the journal article below, as well as an article from Business Insider that discusses the disparity Black students face when it comes to funding.

As reported by an article on [Forbes.com](#), some HBCU schools in the U.S are taking the issue of student loan disparity head-on and are using the \$5 billion of debt relief that was offered to them from the **Higher Education Emergency Relief** pandemic fund, to cancel or forgive student's financial accounts and the debts they owe to the school. They cite the studies showing the disparity between the amount of student loans taken out by students of colour, specifically Black students, and that, statistically speaking, students of colour have a harder time paying down those student loans as a reason for cancelling the debt owed by those students. This way, they say, their students and graduates can focus on other economic activities like saving for retirement, paying down mortgages, and paying off other debt. They are also using funds from the Higher Education Emergency Relief pandemic fund to "**shorten the financial aid line**" and re-invest in their graduates. Some of the schools who have cancelled a portion or all of their students' debt are: South Carolina State University, Wilberforce University, Delaware State University, Clark Atlanta University, Shaw University, Fayetteville State University, Trinity Washington, Philander Smith College, and Elizabeth City State University. It's important to note that these schools are not **cancelling the federally-funded** student loan accounts, but forgiving the debt these students need to pay to the school. But could this be a step in the direction of wide-scale student loan forgiveness?

That last point is important to note because all this time we've been talking about student loan debt as if the lenders are the problem — which may not necessarily be the case. As I said before, part of the reason for the uptick in student loans is that tuition costs have soared in recent years. So some people are asking, what's the point in cancelling or forgiving student loan debt, if we are just going to get ourselves into the same situation again? **Why cancel student loans when college tuition is going to remain high, and get higher?**

Senator Chuck Grassley of Iowa has criticized President Biden's plan to cancel some or all of student loan debt, saying that it doesn't actually address the fact that the system of federal student loans is broken, and that it may not be as stimulating to the economy as previously thought. According to Grassley, right now federal student loans are **available** "without regard to who can pay and in excess of need" - meaning, unlike with a mortgage, lenders are not considering whether or not the loan can or ever will be paid back when approving them. Not only that, but he places the blame on why student loans have ballooned on the colleges. **That it is tuition costs that have become too high**, and with this unlimited supply of funds - since the students will always be approved for whatever cost the colleges lay out - there is no incentive for colleges to reduce costs.

In that view, it is more beneficial to fix the university system altogether, as well as introduce more transparency for students when it comes to the actual cost of college. This, Grassley believes, will lead to **more informed choices** made by students and **more competition** and incentive to reduce costs on the part of the colleges. From this perspective, **cancelling current student debt** while maintaining the status quo means we will continue in a cycle where students are pressured to borrow more than what they can afford, and not understand where that money is coming from or going towards. Yes it will relieve the burden of debt, but will **cancelling student loans** without reforming the federal student loan system do any good in the long run?

The other "con" when it comes to student loan cancellation is that recent research shows that it may not stimulate the economy as much as we might think. As I said before, the collective student debt in the U.S is 1.7 trillion dollars as of 2021. Forgiving part or all of that debt will **fall on taxpayers** which means that even those who never benefited from a college education will be paying for those who did.

Also, because of **income-based repayment plans**, the amount of money in a borrower's pocket at the end of the month could be minimal, and may not be enough for any significant moves in terms of boosting the economy. If the government only forgives part of each student loan (say, 50,000 dollars per loan account) all those who are on income-based repayment plans will still be making the same payment each month, so there will be no difference in how much cash they have to contribute to economic activity. Even if the government completely eliminates all student loan accounts, **it may not be as effective** for stimulating the economy as other government programs such as expanded unemployment benefits. In the end, the cost of wide-scale student loan debt cancellation may be more than the economic benefit.

All this depends, of course, on whether or not President Biden will use an executive order to forgive student loan debt within 2021. It was a campaign promise of his, but until now the President **has been hesitant** to go beyond what he considers his powers as president. Initially the President proposed that the debt forgiveness would

be tied to community service. **In September of 2021**, the federal program that has put a pause on all student loan payments will end and some are concerned with what will happen when borrowers have to go back to their monthly payments. It is possible that **this is a test** of whether or not wide-scale debt forgiveness is truly a beneficial policy, or if perhaps the federal student loan system needs to be reformed altogether.

Once again, I'm going to turn it over to you! Based on the articles I've linked and the information in this video, do you think **wide-scale student loan debt forgiveness** is even possible by the end of 2021? Or do you think we are looking at **legislation** that leads to reform in the long term? Either way, it is a massive financial burden on the individual and on the country as a whole that affects minority communities more than any other.