

Wilmington, Delaware
_____, 2022

#XXXX

Sponsor:

**Council
Member
Darby**

WHEREAS, Wilmington City Council hereby supports debt forgiveness for loans provided through the U.S. Department of Education. The cost burden has disproportionately impacted borrowers and led to wider racial, social, economic and gender inequity; and

WHEREAS, student loan obligations total more than \$1.75 trillion, and about 46 million Americans are indebted. The average public university student borrows \$30,030 to attain a bachelor's degree. The average balance on federal student loans is \$37,113. The average monthly payment was \$300 before the White House instituted the repayment moratorium, which is in place until August 31, 2022. Before the coronavirus pandemic, 11.1% of student loans were 90 days or more delinquent or in default; and

WHEREAS, the student loan crisis affects nearly 1 in 5 Americans, with Black, Hispanic, American Indian, Alaska Native, Asian and Pacific Islander, and other communities of color. Women, low-income residents, and young adults are most heavily impacted; and

WHEREAS, the State of Delaware ranks 5th in the nation for student loan debt. More than half of Delaware's college graduates borrowed money to attend college in 2018-2019; and

WHEREAS, technological changes make it increasingly more difficult to earn a living wage without an advanced degree. College graduates' earnings are 80% higher than those with high school diplomas on average. The cost of a college education has more than doubled over the past generation, so many borrowers are unable to complete their studies. Two-thirds of those who default on loans did not complete a degree program; and

WHEREAS, student loan debt exacerbates the racial inequity. On average, Black students are more likely to borrow and to pay down their debt more slowly. American Indian

and Alaskan Native student have the most costly monthly student loan payments, and Black students have the largest total student loan burden. Black students who earned a bachelor's degree had a default rate nearly four times higher than similarly situated White peers. Black and Hispanic students are also three times more likely to attend for-profit colleges than White students. These institutions are often more expensive, which puts students who attend at greater risk of defaulting on their loans in the future; and

WHEREAS, women hold two-thirds of the nation's student loan debt. A disproportionate number of single mothers have high rates of attendance at for-profit colleges, which leads to greater student loan debt burdens. Women of color face significant barriers to paying down their student debt. On average, Black women's student debt outpaces women of other races; and

WHEREAS, high-income communities have greater rates of college attendance, but the impacts of student loan repayment are more severe for members of disadvantaged communities. Low-income families, first-generation college students, veterans, parents, and caregivers are all at higher risks of default; and

WHEREAS, canceling student loan debt represents a significant opportunity for the City of Wilmington and the State of Delaware. Student loan forgiveness will allow residents greater financial stability and increases the proportion of their income that can be spent locally. In Wilmington, where less than half of residential property is owner-occupied, alleviating federal student debt could increase consumer confidence to purchase homes, pursue business ventures, and most importantly, catalyze our economic recovery from the COVID-19 pandemic.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that the Wilmington 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.

Passed by City Council,

ATTEST: _____

City Clerk

SYNOPSIS: This Resolution calls upon the federal government to leverage its authority to urgently address the student loan crisis by enacting a plan to cancel federal student loan debt and begin the transition to education as a public good.