



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY VICE MAYOR KAPLAN

RESOLUTION CALLING 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

WHEREAS, the student loan crisis is impacting 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 \$1.7 trillion in student debt; and

WHEREAS, in California, nearly 4 million borrowers collectively owe a total of \$147 billion in student loans with an average debt of \$38,530. More than 500,000 borrowers are either delinquent or in default. This affects their ability to save for retirement, meet their essential needs, and contribute to the local economy. Younger adults carry the largest student loan burden while simultaneously attempting to save for buying a home, starting a family, or paying for child care. An estimated one-third of all adults ages 25 to 34 have student loan debt; 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% 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. Average student debt for bachelor's degree earners grew by about 56% between 2004 and 2019: from \$18,550 to \$28,950; and

WHEREAS, the student loan system is a key structural barrier in any effort to address racial and economic injustices in America. While California is considered a low-debt state for undergraduate education, the student loan system has disparate impacts on borrowers. For example, Black borrowers with bachelor's degrees have nearly 50 percent more student loan debt than their white peers four years after graduation: \$52,726 on average, compared to \$28,006. Only 14 percent of Black bachelor's degree earners graduated in 2015-16 with no debt, compared to 30 percent of white degree earners. Furthermore, Black and Latinx students are disproportionately represented at for-profit colleges which can lead to repayment challenges; 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, low-income students and families are more likely to need to borrow 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, among Bay Area neighborhoods with the highest percentages of Black and Latinx residents, 15.3 percent of borrowers are currently in default — a rate more than three times the current default rate of neighborhoods with the lowest share of Black and Latinx residents (4.9 percent). This staggering default rate is seen in majority-minority neighborhoods such as Treasure Island, East Oakland, and Vallejo, where 23 percent of borrowers are currently in default; and

WHEREAS, canceling student loan debt and eliminating debt in higher education represents a significant economic opportunity for the City of Oakland 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, canceling student loan debt and eliminating debt in higher education will have a considerable positive impact on the thousands of students that live in Oakland and will help advance an equitable, accessible higher education system for all our residents; and

WHEREAS, canceling 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; and

WHEREAS, over 90 percent of student loans are provided through the federal government. Federal student loan debt is held by the United States government, and the Higher Education Act of 1965 gives the President and Secretary of Education the authority to cancel it; now, therefore, be it

RESOLVED: 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; and be it

FURTHER RESOLVED: That the Council instructs Oakland’s lobbyist to send a copy of this resolution to President Joseph R. Biden, Senators Dianne Feinstein and Alex Padilla, and Representative Barbara Lee.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

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