



# CITY OF OAKLAND

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#LoveLife

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Date: April 7, 2022  
To: Members of City Council and Members of the Public  
From: Vice Mayor Kaplan  
Re: **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**

Dear Colleagues on the City Council and Members of the Public:

Collectively, Americans hold over \$1.7 trillion in student debt, and, in California, nearly 4 million borrowers collectively owe a total of \$147 billion in student loans. An estimated one-third of all adults ages 25 to 34 have student loan debt, many of which are simultaneously attempting to save for buying a home, starting a family, or paying for child care. Given the mounting and ubiquitous pressure of the student debt crisis, this resolution calls on the federal government to enact a plan to cancel student loan debt, and begin the transition to education as a public good.

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 at its highest, the cost of a 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.

Despite California being considered a low-debt state for undergraduate education, the student loan system continues to have 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. In addition, while a slight majority of college students are women, women hold roughly two thirds of the nation’s student loan debt.

We can see these disparate impacts when we zoom in on our own community. 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.

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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, to support residents' wealth-building and social mobility, and to provide a deeply needed stimulus during recovery from the COVID-19 pandemic. It 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.

This resolution, therefore, 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.

Respectfully submitted,



Vice Mayor Rebecca Kaplan

City Council  
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