



Spelman College®

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*President*

April 13, 2021

The Honorable Jon Ossoff  
US Senate  
Subcommittee on Economic Policy  
Committee on Banking, Housing, and Urban Affairs  
Dirksen Senate Office Building, Room 534  
Washington, D.C. 20510

Dear Senator Ossoff:

On behalf Spelman College, Morehouse College, and Fort Valley State University, we thank you for holding the hearing titled *"The Student Debt Burden and Its Impact on Racial Justice, Borrowers, & The Economy"* to examine the student loan debt crisis as a whole and specifically analyze the impact student loan debt has on racial justice, borrowers, and the economy. As you look to develop policy proposals and solutions to reduce the burden of debt on borrowers, we encourage you to take a targeted approach in examining methods that will focus on both removing racial inequities and reducing the disproportionate impact of student loan debt on borrowers of color and institutions that seek to serve these individuals.

When examining student loan demands and the behavioral trends of borrowers, it is essential that policy makers examine all facets of data particularly the socio-economic differences among racial and ethnic groups. In the United States Department of Education scorecard, data revealed that 80 percent of students who attend HBCU's receive federal student loans in comparison to the 55 percent of students attending non-HBCU's<sup>1</sup>. Moreover, the individuals who are attending HBCU's are predominantly African American and 41 percent of these borrowers are first-generation colleges students who are more than twice as likely to be behind on student loan payments as those with a parent who completed a bachelor's degree.

As you are aware, the value of obtaining a college degree has continued to increase due to workforce demands and employers who actively seek college-educated individuals to fulfill their workforce needs. In order to obtain a college-degree and enter into the workforce that will support individuals' access to high-quality jobs, many students have to seek out financial aid. According to a report released by the Federal Reserve, fifty-four percent of young adults who went to college took on some debt, with 93 percent of debt presenting itself in the form of student loans<sup>2</sup>. Although student loan debt impacts the vast majority of student borrowers, the disparate impact on borrowers of color and individuals who attend Historically Black Colleges and Universities (HBCUs) must be addressed to ensure equal opportunity for all individuals.

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<sup>1</sup> Author's calculations using U.S. Department of Education College Scorecard: median family income, 2005.

<sup>2</sup> Student loan borrowing has declined since its peak in 2010–11 but remains substantially above the levels from the mid-1990s (Sandy Baum, Jennifer Ma, Matea Pender, and Meredith Welch, Trends in Student Aid 2017(New York: The College Board, 2017)

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The rising cost of education and student loan payments presents a challenge to all student borrowers and racial inequities simply exacerbate the issue for our students and institutions. We appreciate your time and attention to this important issue and look forward to working with you to create a system that promotes economic viability and equal opportunity for all individuals.



Mary Schmidt Campbell, Ph.D., President  
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David A. Thomas, Ph.D., President  
Morehouse College



Paul Jones, Ph.D., President  
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