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P R O C E E D I N G S

MR. PERRY: I'm Andre Perry, senior fellow at the Brookings Institution, and I welcome you to the Brookings event examining the effects of student debt cancellation featuring Senator Charles Schumer as well as notable experts and practitioners in the field including Beth Akers, resident scholar at the American Enterprise Institute. Braxton Brewington, press secretary of the nonprofit, The Debt Collective. Marshall Steinbaum, senior fellow at the Jain Family Institute and he is an assistant professor of Economics at the University of Utah. And we will also be joined by my researcher assistant, Carl Romer with Brookings as well as Braxton Simpson, an HBCU Fellow at Rise.

You know, Americans would like to think that if individuals are educated in great schools, they can pull themselves up by their proverbial bootstraps and bring their families with them. From childhood, we're told that we can achieve middle class status if we work hard in school and get good grades no matter if obstacles such as bad policing, weak labor markets and discriminatory housing policies litter our path.

We believe that a good education can propel us past those barriers and we can surpass our parent's social standing. But many Black college graduates are not surpassing their parents in wealth and improving their chances of achieving the American dream. The reality is that wealth not education is the differentiating factor.

We're going to explore this issue in debt. First, we will hear from Senator Charles Schumer of New York who's working with Elizabeth Warren who are pressing for up to $50,000 of debt cancellation. After Schumer's presentation, we'll hear a conversation between recent graduates, Carl Romer who graduated from Howard and Braxton Simpson who graduated from Tennessee State University.

Then I will moderate what I expect to be a lively panel featuring Beth Akers of the American Enterprise to Braxton Brewington with the Debt Collective and Marshall Steinbaum of the Jain Family Institute.

I encourage viewers to engage the conversation by tweeting your questions to @BrookingsMetro using the hashtag #StudentDebt or by emailing events@brookings.edu. Again, you can tweet your questions to @BrookingsMetro using the hashtag #StudentDebt or by emailing events@brookings.edu.

So let's get started. It's with great pleasure I introduce Senator Charles Schumer.

MR. SCHUMER: Hello Brookings. This is Senator Charles Schumer and thank you for letting me join your virtual event on student debt cancellation.

This topic is so, so important to me. And I believe there has never been a better time to take action. For generations, higher education has been a ladder up into the middle class especially for Black, Latino and Asian-Americans. But for to many today, student debt has become the anchor weighing them down, making it harder to start a family, buy a home and live with financial independence.

Over 43 million Americans hold more than $1.7 trillion in student loan debt. Roughly, one in five borrowers are in default and the challenges are even worse for students of color. This is unsustainable. And with Joe Biden in the White House, Democratic majorities in the House and Senate, the time is now to take action.

In the American Rescue Plan, I pushed for tens of billions of dollars in financial relief for struggling universities making sure at least half the funding went to help student's financial aid. We also make student loan forgiveness between now and December 2025 tax-free so that we don't give with one hand while taking away with the other. But most importantly, I have joined with Senator Elizabeth Warren and other Democrats in calling on President Biden to cancel up to $50,000 in student loans for each student.

This would make an enormous difference in the fight against income and inequality and in the march towards greater racial equity. It would benefit those who need help most.

A recent study by the Roosevelt Institute shows that the largest share of debt cancellation dollars from our plan would go to families with the least wealth. The study also found that through our proposal, Black and Latino borrowers in the bottom 10 percent of wealth would receive over 30 and 20 times more debt cancellation than borrowers in the top 10 percent.

That means a new life for millions upon millions of students. Particularly low income and diverse student loan borrowers crushed by the weight of the debt. With the flick of a pen, President Biden could get it done and I promise that I'll keep pushing the Biden administration to do it. We have lots of work to do, but I'm confident that by working together better days lie ahead. Thank you all so much and see you soon.

MR. PERRY: Thank you, Senator Schumer. You know, researchers and policymakers alike share a common goal of solving stubborn societal problems including student debt. Because of the increased need for post-secondary degree obtainment to participate in a knowledge-based economy, students are compelled to saddle themselves with more loans to attend college.

Today student debt is the largest force of household indebtedness than credit cards and automobiles surpassed only by home mortgages. From 1993 to 2012, the share of students taking out loans to finance their degrees rose roughly half to over two-thirds. Between 1993 and 2020, the average loan amount grew nearly three-folds surpassing $30,000.

This wouldn't be as much of a problem if borrower's incomes increased comparably. But alas, the upsurge in tuition has outpaced the rise in wages and overall inflation. While most analysts across the political spectrum believe we have a student debt problem, there is variation about how to deal with it. Much of the debate revolves around how much student loan debt should be discharged?

However, it's the who in policy that determines many budgetary considerations. Understanding the impact of student debt on specific groups can shed light on the question of how much. But we struggled as a nation to appropriate determine the who in public policy and research.

One of the most consequential manifestations of that struggle is the Black/White wealth divide. Generations of anti-Black exclusive policy often supported by research contributed to white families realizing 10 times the amount of wealth of Black families.

Not only did federal, state and local legislatures intentionally throttle Black wealth with malicious policies such as slavery and pro-racism, bias housing and criminal justice practices. They excluded Black Americans from reaping the full benefits of the New Deal, which lifted many more white families out of poverty, enabling more white households to pass on intergenerational wealth.

Our solutions for the student debt problem should not repeat this sort of history. In fact, past discrimination should have us check potential policies impact on historically disenfranchised groups. Yet one of the most repeated mistakes in the student debt cancellation debates is the assumption that all people within particular incomes strata have the same ability to pay back their loans masking the lived experiences of Black people.

Color blind income-based analyses miss the mark. Most student debt is held by households with zero to negative net worth. I want to share my screen here and hopefully you can see this chart that shows that most student debt is held by households with zero or to negative net worth.

Ignoring the racial wealth divide is to bury one’s head in the sand to racial injustice. This is where many regressivity arguments that hold debt cancellation is an idea that will primarily benefit the rich fall flat. Over the last quarter century, Black people are going to college at higher rates, but we are taking on more debt than our peers. Throttling our capacity to purchase homes and start businesses.

In a recent Jain Family Institute research brief entitled Student Loans, the Racial Wealth Divide and Why We Need Full Student Debt Cancellation, we're making sure to get that on Twitter.

The Jain Family Institute Senior Fellow Marshall Steinbaum, research assistant, Carl Romer, who we will both meet today and I, show how Black people take out higher amounts of student loans than every other racial group. I'm going to get to that. And you can see that blue line representing Black borrowers there exceeding the amount of other groups.

This chart reveals Black people striving. We're going to college more, but it also reveals our lack of wealth and the need for financial aid. The impact of discrimination on wealth can also be seen in the share of loans where debtors current balance has exceeded the original amount. Again, I'm going to show another chart that shows where balances are starting to exceed the original amount. Again, blue representing Black borrowers.

Not only are individuals saddled with debt, entire neighborhoods are as well. Our report also shows student debt at a share of income is highest and growing fastest in the lowest income areas. Let me click on that slide.

You can see here in this census track. This is where most outstanding balances lie. The claim that student debt cancellation is regressive tends to be followed by pointing out that a large number of borrowers have the same amount of debt and a relatively small number of borrowers carry a large proportion of the total debt burden.

That much is true, but the unstated implication is that the low number of high balance borrowers that would benefit the most from cancelling outstanding balances tend to have higher incomes. That implication is false.

The plurality of outstanding debt is held by borrowers with the highest balances who live in census tracks in which the median income is between $20,000 and $40,000. I'm sorry. I went past a slide. I apologize for that.

Meanwhile, the high-income census tracks account for a very low number of borrowers suggesting that better off people are less likely to have student debt. Other studies have reported that differences in interest accrual and graduate school borrowing lead to Black graduates holding about twice as much student debt, about $53,000 as our white counterparts four years after graduation.

Given the racial wealth disparities and debt to income ratio, it's not surprising that an estimated 7.6 percent of Black graduates default on loans within four years of graduation compared to 2.4 percent of white graduates. Without question, we have a student debt problem. However, real solutions can be found when Black lives are recognized in policy and research.

In the Brookings' report entitled, "Student Debt Cancellation Should be Considered Wealth Not Income," Carl Romer and I find that when all student debt is cancelled the numerical difference between the wealth of non-Black and Black households shrinks significantly where households between the second and 20th percentiles. Likewise, we find the more debt that is cancelled, the greater the racial wealth cap is reduced at every wealth percentile.

Now I'll go back to that chart that I wanted to show you before. Likewise, now, when we reduce that debt those are the kinds of solutions that we're all in need of. Today, we're going to explore more of this topic. However, we will not replicate the mistakes of the past. We will center the lived experiences of Black borrowers to guide our discussion. And we will do this first by showing an interview between Carl Romer of Brookings and Braxton Simpson of Rise. So let's go to that interview.

MR. ROMER: Thank you, Andre. And thank you all for joining our event, "Examining the Effects of Student Debt Cancellation." My name is Carl Romer and I'm a coauthor on the reports that you just heard Andre talking about. Today I am joined by Braxton Simpson, the HBCU Fellow with Rise.

Braxton, if you could tell us a little bit about Rise, your role relating to education and student debt and what drew you to this organization?

MS. SIMPSON: Absolutely. First of all, I just thank you for allowing me to be here today. So Rise. Rise is a student loan nonprofit that is basically representing more than 80,000 diverse student borrowers all across the country advocating for college affordability.

And what is ultimately unique to Rise was just their pure dedication for just wanting to help to students that no one ever considers, right? The student loan Black community. The student without funds who is in college. The student who just needs (inaudible) for a specific engagement because it mostly impacts their lives in reality.

So, you know, just students like myself. I pride a lot of myself in who I am and where I come from inside of this organization Rise. And their devotion to just progressing, advocating for students who are sometimes forgotten. I think is what drew me to the organization the most.

Personally, I serve as an HBCU Rise Fellow in which, you know, my sole mission is ultimately to advocate on behalf of college affordability. And I've been advocating for college affordability for HBCU students and insuring that HBCUs are always a part of the conversation when it comes to college affordability.

Speaking about the fact of student loan debt on students. You know, HBCUs where populating Black student's are cost of low. Students come from low income and low access neighborhoods and backgrounds and it's imperative that we are never forgotten when we are talking about conversations around educational payment and access.

MR. ROMER: That's awesome, Braxton. Thank you for that answer. There's a lot of different directions that I want to go with that but I think the first thing that I would like to ask you about is when you talk about the forgotten students. One of the things that is being talked about right now is that from lower income students or from lower income graduates. After they graduate, they are able to use income-driven repayment and have kind of low payments on their student loan balances.

Over the past year, we've seen actually as the moratorium on student debt repayment has been enacted that no one has been paying their student debt payments.

But can you talk about how even without paying back high amounts those forgotten students, the HBC graduates, still have high balance loans and those balances still affect them even without payments.

MS. SIMPSON: Yeah, absolutely. You know, I just pretty much leave it at, you know, when we're talking about HBCUs. You know, HBCUs were founded for students. A long time ago, they just didn't have access in education and we provided the opportunity for them.

And we're talking, you know, these are affecting directly generation removed from slavery, right? And so, of course these individuals were low income, low access. And so, HBCUs have been working to fill out that generation in helping students that come from low income and low access backgrounds in being able to afford college.

So a lot of HBCU students do accumulate a lot of debt because, you know, over 90 percent of HBCU students have to use federal dollars in order to attend school and can pursue an education. And so, even though, you know, there has kind of been this halt. ATCU students and HBCU graduates will still be directly impacted by the amount of debt that is accumulated just from wanting to attend school.

MR. ROMER: That's a really shocking statistic that I hadn't heard before that 90 percent of HBCU graduates need to take out federal dollars in order to attend school. As an HBCU graduate myself, I know that that was true of me and my friends, but I didn't realize how pervasive that is in the HBCU world.

And so, speaking of which you graduated from Tennessee State University. And Tennessee State University was recently in the news for Tennessee's underfunding of the institution. And so, this type of devaluation and underfunding of HBCUs is chronic and widespread. Can you talk a little bit about how educational underfunding and graduate outcomes are related?

MS. SIMPSON: Of course. Absolutely. You know, yes I am a proud alumni of the illustrious Tennessee State University in Nashville, Tennessee. Just graduated. And that institution of course means so much to me.

You know, our story is like the story of many HBCUs all across the country that have been historically devalued and underfunded for decades on end, right? Educational underfunding and graduate outcomes are directly correlated.

You know, the truth of the matter is HBCUs, we've had to make lemonade without lemons to begin with. And we've had to, you know, we've taken the scrap and we've still been able to produce, you know, excellence.

You know, as far as it comes with Tennessee State University, you know, we are a land-grant institution and 1890 land-grant institution, which means that we will be a mass majority of our funding from the government that is aligned with our agricultural status.

And just as, you know, our neighboring institutions and university have not (inaudible) another public institution in the state of Tennessee. And, you know, for years Tennessee State University was supposed to be receiving a match from the Tennessee state government on which they provided both TSU and UTK a match of one to one.

And unfortunately for years, UTK has received up to six times their match on some years from the government to support their student body while TSU has failed to receive their one-to-one match. So in some years, TSU's match actually was allocated to the University of Tennessee, Knoxville. And so, the failure of the Tennessee State government to place education at the forefront and to value its contribution to the country has, you know, in the community at large has, you know, forced agencies everywhere, honestly, to have to dip into operational funds that could aid more facilities, that can make ends meet.

So just to keep the lights on and ultimately provide scholarships that would keep students in school. So when there is a lack of money specifically on HBCUs, students are less likely to matriculate as their focus isn't solely on their education. They now have to shift their focus and focus on other things like too under education like working and dealing with their living conditions as a result of the lack of government still planning that allocate it to the school.

You know, with that for years, the blame has been passed down from society onto the black college and university and, you know, ineffective or not managing their funds properly. But, you know, in all actuality much of this should be directed towards the state government due to their failure to place an emphasis on supporting HBCUs and HBCU students.

MR. ROMER: Wow. I think that that gets right at my next question which is going to be about when we imagine the future what does that look like? HBCU is currently only 3 percent of college students, but they produce 20 percent of Black college graduates.

And so, how do you think about when we think about cancelling student debt for the future or making tuition free college. How does that change the economic opportunity for HBCU students?

MS. SIMPSON: It changes it, Carl. I think immensely. You know, for so long HBCUs have essentially (inaudible) that we've been actually making lemonade without lemons to begin with. And, you know, we've had to do a lot with a little and we've done that.

We've produced the most Black professionals in medicine, industry, law. Every field, you name it. And the mere fact that HBCU has produced the best and the brightest, yet only represents three percent of college students. This administration can make a commitment to ensuring that three percent is uplifted, empowered and supported.

It's imperative, you know, to keep in mind that HBCUs are birds out of oppression. Being the only place that Blacks could turn for an education. You know, HBCUs were started to provide the sons and daughters of slaves the opportunity to an education regardless of their income and their access to education.

You know, and like I said earlier, HBCUs were actively working at continuing that legacy to ensure the success. You know, giving our Black students a chance at success and economic obtainment regardless of background and where they come from.

You know, HBCUs produce. They produce well, and an investment in HBCU is an investment in your communities and in your country. So when we talk about reparations, when we talk about closing the racial wealth gap, when we talk about equity, we can start with access to education and college affordability for HBCUs and their student.

I eliminate student loan debt and making college free. You know, HBCU students won't have to devote all their energy on paying for school but instead can shift the focus directly on school. Graduates can focus, you know, on building generational wealth that will aid in strengthening the Black family that are having to shift their focus on paying off loans.

It is imperative, you know, that the Biden administration fulfills his promise of college affordability while ensuring that the HBCUs remain a center of this broader conversation.

MR. ROMER: That's a bright future that you just laid out and I really hope that we can achieve that in the very near future. So is there anything else that people ought to know about HBCUs? HBCU graduates? Cancelling debt? Free college? Anything along those lines?

MS. SIMPSON: Sure. You know, Carl, I'll leave you with this. And this is something that I always say. You know, when we can keep the most marginalized people at the center of our survey. Everyone that falls outside will reap the benefits of that.

So if we make a conscious effort to keep HBCU college affordability and funding at the center of our service communities, institutions, structures that lie on the outside, we'll be better because -- that we have to invest in HBCU, invest in college affordability and make college free.

MR. ROMER: Braxton Simpson, thank you so much for being with us today. I'm going to turn it over to Andre now who is going to moderate a discussion between three phenomenal scholars, panelists and I hope that you enjoy. Thank you.

MS. SIMPSON: Thank you.

MR. PERRY: All right. Thank you very much. At this time, I'm going to bring in our panelists. We have Beth Akers of AEI, Braxton Brewington of The Debt Collective and Marshall Steinbaum of the Jain Family Institute in the University of Utah.

Thanks for presenting today. And I'm going to get right into it. I just want to hear how you all characterize this problem and if you see it as a problem? And I just actually want to start with Beth.

Please give us your overall general thoughts of the nature of the problem and the nature of debt cancellation as a solution.

MS. AKERS: Well, I think I'm sometimes mischaracterized as the student loan crisis denier. So I will be very clear that that's not the position I'm taking today or in general.

I think that part of what we've seen is a huge drop in student loan debt and part of it is a great thing because it reflects huge investments in education that we know on average historically have paid huge dividends in the terms of earnings opportunities. And so, when we look at it closer than that we, of course, see that there are problems with student lending that need fixing.

The issues of the racial wealth gap, of course, separate from the issue of student loan debt are an important problem to our economy and our society. Even then within the student loans system, there are places that I think are in need of desperate reform. For example, the safety net that exists to support borrowers to prevent the sort of hardship that we have been talking about so far today that many borrowers are experiencing.

So what I see is a trend that is in part positive and in part concerning because of the portions of the system that is not working well. So I'm in favor of nuance solutions that address those specific problems rather than something that looks like a widespread student loan cancellation program.

MR. PERRY: So I just want to be clear. So we're untangling some of the other systemic problems from the larger or the systemic or from student debt as a problem?

MS. AKERS: That's right. I tend to see that this conversation is combining some of the more systemic problems in our economy. Welcome to my dog for joining the panel today.

And I’m concerned that we're using student debt as a mechanism to solve some of the deeper issues that we face particularly the racial wealth gap. When it might be better or more efficiently addressed through other more direct policy interventions.

MR. PERRY: I’m going to turn it over to Braxton to answer the same question. You know, describe or characterize the nature of the problem and is that cancellation an appropriate solution?

MR. BREWINGTON: Yeah. I think so often we talk about student debt as this thing that we're just looking at based off of data. And I really want to talk about the experiences of borrowers in part because of Joe Biden’s decades long assault on borrower protections and other Republicans and Democrats who have really worked in tandem to strip borrower protection. Some of the things I think, Beth, you agree we should improve.

Student debtors are not this old image that we have of affluent, white doctors, right, who have these large sums of debt and they're rich. And if we cancel that debt, it will just give them more money. Student debtors are not being able to start families. They're not being able to buy homes. Folks are living in their cars.

People are really -- especially Black households, the procurity of Black households, I think in particular we see that people have zero net wealth. They have negative net wealth. And so, you know, we have debtor’s prisons where I think were outlawed over a 100 years ago, but people are indeed at risk of incarceration. They're being incarcerated because they can’t afford to pay their student loan debts.

So when we talk about this crisis, I think it’s important to center real experiences and, you know, myself in particular, I’m glad that Braxton Simpson talked about the HBCU experience. I’m one of those. Ninety plus percent of HBCU students that had to borrower federal dollars because how else would we afford to go to college when we’ve been stripped of generational wealth. We’ve been stripped of wealth building opportunities.

And, you know, there’s a saying that when white folks catch a cold, Black folks get pneumonia. I think in a lot of respects that's exactly what we're seeing with the student debt crisis that we are all suffering but we're not all suffering equally. And we need cancellation not just because it will narrow the racial wealth gap. Not just because it will advance gender justice or boost the economy, but because education should be free.

It should be free and it should be freeing, right? We should be encouraging folks to have a liberatory experience in higher education and treat higher education as it used to be which is a public good.

MR. PERRY: Marshall.

MR. STEINBAUM: Thanks for having me on this panel and I want to thank my predecessors for really stating the case better than I could have. I thought that especially Braxton Simpson's narrative of the defunding or underfunding of Tennessee State and the resulting prevalence of student debt among graduates of HBCUs is very telling. I think that really defeats the whole narrative that student debt cancellation is progressive as Braxton Brewington just alluded to.

I think this crisis arises from deep inequities in the way that education is provided and the way that generational wealth is handed down and that is what gives rise to the student debt crisis. I thought Beth just said something that for once I agree with which was that we're using student debt to address other systemic issues, and I think that is absolutely right.

We're basically saying, you know, whole generations of people that have been disempowered and disinherited should essentially take on debt to overcome those institutional inequities and then turning around and confronting the reality of, okay, now there's people deep inequities who have debt and who has what amount of debt. You know, that's somehow the borrower's fault for making the wrong decisions or attending the wrong school or majoring in the wrong subject.

And I think it's really not just wrong as I've tried to show in my empirical research but offensive, frankly, to make that claim against the evidence as it is and as we know it is.

I just want to say sort of what my three causes of what I think, you know, we have to confront in understanding how the student debt crisis arises kind of beyond just the questions of who has debt and who has what amount.

We've had the institutional underfunding that Braxton Simpson referred to and in general the public higher education system has been defunded in such a way that institutions that are minority serving have suffered the worse. We've tried to have at the same time is that more and more people go to college and get higher degrees in order to get a job and that means more people means more diverse people going to college.

People who are less able to rely on their families to support themselves than previous generations. And then finally we have institutional segregation which means that generally the least well-off students coming from disadvantaged backgrounds are going to the least resourced institutions that are thus the most reliant on tuition and thus on their graduates taking on debt.

So it's really the failure of a, you know, to use the buzz word of the day, neoliberalism higher education system in particular in serving minorities.

I just want to close with one point which is the other day I was on a panel with Sandy Baum (phonetic) and she criticized the literature that Braxton referred to that shows student debt reducing homeownership and reducing entrepreneurship and other elements of the pathologies of the economic life cycle being undermined by accumulating student debt early in life. And basically said, well, you know, of course not having debt is having debt but not having education is worse than all of that.

And that's really a false choice because we have had a public higher education system that provides education funded collectively not individually. And basically, what happened was we privatized that at the same time it was diversified. And thus, made it a much more extractive system than it is a contributing system to individual wealth.

So we can have education without having student debt. In fact, we know that in the past the question is just how democratic it should be and how inclusive it should be?

MR. PERRY: Now, I want to get right to Senator Schumer's remarks around the $50,000. I know, Beth, that you've argued that we should cancel a little debt.

Can you explain what the right amount is? And because it seems like $10,000 which Biden is promoting. $50,000 which Senator Warren is shooting or promoting. They seem kind of arbitrary numbers. You know, what's our target on this? And what amount is appropriate for you?

MS. AKERS: Well, I'll tell you. My goal is to support the people who are the most economically vulnerable. I think that intersects a lot with what my opponents here are doing today which is that racial minorities are having worse outcomes on average than white, more well-off students.

And so, what I would like to see is that instead of a one-size, fits-all handout, we have a more nuance solution that crafts the size of the relief to the need of the individual. And so, that happens through a program like income-driven or payment that is already existing, but really ineffective safety net for borrowers.

So when I proposed $5,000 as a level of student cancellation, it has a couple of reasons why. First, we see a lot of the people who are defaulting on student loans have these really small balances. A lot of them have started college, but not finished a degree. So they haven't gotten that earning's bump that would make their student loan repayment affordability.

So that gets rid of those, but the more primary reason for it is that I offered it as a bargaining chip because I think what really needs to happen is that we need to reinvent the safety net that ensures that borrowers do not face unaffordable monthly payments based on how much they're earning and that borrowers who do not see a prospect of earning enough to be able to effectively or affordably repay their loans will have their loans forgiven.

So that takes a huge overhaul of the existing program to get there. I think offering $5,000 as cancellation kind of says, okay, let's put a pause on what's happening. Give Congress time to craft that solution and then put it into place. But the $5,000 was not the right number. I think there is no single right number for everyone. It's more to say, let's buy ourselves some time so that we can craft a more nuanced need based targeted solution.

MR. PERRY: Now, Braxton, you've written that $10,000 is certainly not enough. Why isn't it enough? And I'll ask you the same question. What is the right amount in this debate?

MR. BREWINGTON: Yeah. I think $10,000 is laughable. And I think, you know, I want to first mention, you know, the President has an ability to unilaterally cancel every single penny worth of student debt. And that's exactly the exact amount that's enough which is every single penny because college shouldn't be costing anything anyways.

You know, $10,000, I think was -- I'm going to clear. President Biden -- I mean on a minimum of $10,000 for every single borrower. And then he actually promised more for people who go to HBCUs or who graduate from public colleges and universities. I think what's amazing here in that promise is that that's coming from again the person who has crafted such an assault on borrower protections, right?

That if we had actually -- you know, this is sort of the most conservative of the democratic presidential candidates that proposed such a sweeping form of cancellation, right? And so, if someone with his history of assaulting borrower protections is proposing a minimum of 10K, what do we actually really deserve here?

So full cancellation is absolutely what we need and that can be done as Chuck Schumer said with the click of a pen, but these numbers are very arbitrary. Even the 50K number that Warren and Schumer are pushing is from old data. Those folks are now saying 75K, right?

So after the pandemic what does that number look like now? Is it at 100K? I think we start to play a game and we make this false equivalency like $1 worth of cancellation is then $1 that comes from a taxpayer when we know that that's not true. A mass cancellation would be an economic stimulus to everyone whether you have student debt or not.

And I think that's why we're seeing cities across the country, Philadelphia, Washington, D.C., Boston pass these resolutions calling on President Biden to cancel student debt because they know that especially after, you know, not after during this pandemic that people, you know, need to invest in local economy and they can do that if they have more cash in their pocket. And what better way to do that than to cancel student debt.

MR. PERRY: Now, Marshall, I'm going to switch it up a little bit because Beth teed up something that is a factor in this debate which is income-based repayment systems.

Can you explain what they are? And what's problematic about them considering wealth and income as very different factors?

MR. STEINBAUM: Yeah, I think that's a very good point. So in some sense -- so what is income-driven repayment? There's basically a couple of different federal programs that cap monthly payments on student debt to be a given percentage of an individual's, quote, disposable income.

And the idea is that that adjusts down payments for people who do not earn enough to make payments that are high risk of defaulting on those payments in any case. So essentially, I mean forms of income-driven repayment have existed for decades but they've become much more prevalent in terms of the share of the debtor population that's making use of them in the last couple of years.

And basically, what happened was that in the Great Recession, we had an increase in the amount of debt that people were taking on and especially in the different types of people taking on debt and not getting the earnings bump that is supposed to go with it. So this is -- Beth referred to the fact of noncompletion causing people not to experience an earnings bump, but the fact is nobody has.

You know, this idea that taking on debt automatically leads to higher earnings or does if you at least complete the university just is not true. That's the fundamental cause and harm of the student debt crisis is that basic economic assumption that people who would take on debt would automatically essentially finance its repayment.

So IDR basically says, okay, we have all these people who are defaulting because they aren't in an earnings position to pay off their debt instead of, you know, continuing to experience this way wave of defaults, why don't we just adjust down payments and so people don't have as large an obligations. Therefore, much less likely to default.

The effect of that under the system that we already have of individual level student loan balances that's attached to your name even if you are successfully enrolled in IDR which is not so easy. So, in fact, the beneficiary population is quite different from what it appears to be on paper. That's an important point that we should remember when pointing to IDR as an alternative to student debt cancellation.

What it means when people are enrolled in IDR is instead of making monthly payments, their balance just accumulates. And that I think gets to the issue, Andre, that you brought up about the difference between income versus wealth.

If your balance on student debt is accumulating that means your net worth position is deteriorating. And that's especially harmful if you start out from a low or negative net worth position and that's the economic life cycle concerns that lead to these issues of being unable to buy your own home, entrepreneurship, not being able to start a family, being tied to particular jobs.

All of those knock-on effects of carrying around this large burden are the result of thinking that, you know, basically the problem of student debt is just the net problem with present monthly payments being too high given present monthly income and not taking into account the overall picture of net worth especially it's racial dimensions.

MS. AKERS: Can I jump back in there?

MR. PERRY: Yep. Go for it.

MS. AKERS: So I want to concede a point for the sake of finding some compromise here. And say, you know, I think you're right to say that looking at who benefits from student loan cancellation by income, it does not tell the whole story.

And I'll say, you know, with student loan cancellation kind of came on the scene. I can't remember how long ago it was now. I was one of the first to go out there and say, look, this is actually regressive. We've got a lot of very high-income people getting this benefit. My rational for saying that was I didn't think that people appreciated there were, in fact, a lot of high earners that were in a very strong economic position because their degree had paid off who would benefit from student loan cancellation.

So recently, we have this pivot in the discussion talking about no, in fact, student loan cancellation is not regressive. It's progressive if you look at wealth.

Now, here's where I get the pushback and say, I don't think wealth tells the whole story either. So we often see economically people choosing to go into a negative wealth situation because it enhances their wealth in the long run. So when someone takes on a mortgage, they reduce their wealth dramatically, right? Because your wealth is just the sum of your assets and your debt.

But we celebrate people taking on mortgages because we know historically or people believed historically that taking on that debt actually increases your lifetime wealth. All of the economic research we have to date suggests that the same is true on average for people borrowing to invest in their human capital. Borrowing student debt to invest in their future career.

So I really believe that we're not doing ourselves any favor by using these labels. By trying to use a single metric to show that student loan cancellation is good or bad. My feeling is that we should be talking about economic vulnerability. Student loan cancellation or student loan debt absolutely plays a role in economic vulnerability. But student loans themselves are not a fantastic indicator of economic vulnerability. So we need to get a little bit savvier.

I'll throw out another one I think I can get, Marshall maybe Braxton to agree with me on. And that's we need reform of the prohibition on discharge of student loans in bankruptcy. So that goes back to what I just said which is that these single metrics wealth, income don't tell the whole story about an individual's economic vulnerability. So we need to get a little bit savvier in thinking about that. But that calls for a nuance solution not just a wipe away all the student debt.

MR. PERRY: Braxton, before you get in here, I just want to just clarify. Isn't student debt a much different type of debt than mortgages? I mean one is literally going to the building of assets that drive wealth and others uncollateralized that is problematic, right?

MS. AKERS: Well, I tend to believe that when people spend on education that they are investing in their, quote, unquote, human capital. They're investing in their future earnings potential. Yes, it's less tangible. Yes, you can't sell your college degree once you've gotten it. So there are some fundamental differences.

But there are some fundamental similarities in that it's a way of financing an investment that on average historically has paid off for individuals.

MR. PERRY: Braxton, I know you want to weigh in on this.

MR. BREWINGTON: Yeah. Well, first, I wanted to mention what Marshall was talking about IDR that check me if I'm wrong. Only somewhat 32 individuals literally have successfully had their debt cancelled using income-driven repayment. So this isn't like a conversation of like, well, it doesn't really work very well, okay? It clearly doesn't work.

And so, reforming that I think is going to, you know, just kick the can down the road. I think what Beth and a lot of folks are grappling with is, is the reality that debt is a trap. The nature of debt is that it is a form of social control. And that this capitalist fable that we have been taught of upward mobility, right?

We've been told, I've took financial literacy classes in college and we were told good debt. We were told there was good types of debt. And I think what people are grappling with is that really is not true. And that debt erodes our freedom and it really puts us in a form especially again for Black households.

You know, Black and brown households especially, you know, succumb to these predictor natures where people are coming to people's homes, giving all types of phone calls. And so, I think what we're grappling with really is the predictor nature of debt. And I want to really pushback on this idea that people should have to pay for public goods just like healthcare. We're having that same conversation where education is a public good.

So we really, you know, that is the nuance there that I think we're talking about. That sweeping cancellation of we don't have to, you know, abide by this sort of neoliberal rules of how to tweak things here and there when really the solution is very simple. It's just broad scale cancellation.

MR. PERRY: Can I just insert this? A comparable situation is how we define K-12 education. I mean, in general we considered it basic that the returns on investment are well worth it. We don't ask families to pay back a grant so to speak if they drop out of high school or they drop out of elementary school.

It's subsidized moving forward. And, Beth, would you agree with that sort of analogy? And moving forward, should post-secondary education be subsidized in a similar way? Not necessarily through the states, but should it be subsidized?

MS. AKERS: Well, I'll concede that's the harder argument to pushback against which is that we have sort of an arbitrary system of, quote, unquote, socialized education that ends at grade 12, right? Then we move to a market-based system.

So is that the exact precise moment at which we should be shifting from a socialized to a market-based system. It's really hard to make that argument. But I think it's separate from the issue at hand today because I want to talk about when we have student loan cancellation, I'm super concerned, of course, about the distribution of benefits. Who is winning and who is losing from this?

But I'm also concerned about what happens to this system going forward absent a reform of the type that you're talking about. So, you know, I just wrote a book where I talked about to people about how to think like an economist when they shop for college.

And I can guarantee you that if I were to write a new book next year, I'd be advising people to take on a lot more debt than they were this year. And that's because of the likelihood that they are going to see another loan cancellation jubilee in the future.

So as we take away the incentive for people to be savvy shoppers and to borrow wisely, we only are going to balloon the problem of borrowing. And even if we pass the free college program that Biden has proposed which is free community college, we don't eliminate student debt in doing that so the problem doesn't go away.

So I'm super concerned about what happens to our incentives for borrowing and are we just going to be having this conversation two or three years from now but with a balance of student debt that's growing at even a faster clip.

MR. PERRY: We have a related question that I want to pull into the conversation. This comes from Benjamin Reed. If widespread debt forgiveness or bankruptcy protection expansion is necessary, what changes would you make to the federal lending programs moving forward to protect taxpayers from continual student loan bailouts? Yeah, do you want to pick up on that, Beth? Because you kind of teed that up.

MS. AKERS: Yeah. Something I'm concerned about is that we continually year after year make lots of loans that statistically speaking, we don't expect to be affordable for someone to pay back. And when that's the case, we're necessarily just passing on the cost to taxpayers.

So I'm fine with putting cost for education onto taxpayers, but I'd much prefer we do it transparently and on the frontend. So if we want someone to go for an education that is not going to pay sufficient dividends for the to pay it back with borrowing then we need to pass legislation that puts grants into place to make that happen.

And I'd like to see a bit more underwriting in the federal student loan program. The biggest place or the low hanging fruit here is in the grad program, the plus program. People are borrowing with very little limitations on what they are able take on and that is often getting passed directly back onto taxpayers because of the current structure of income-driven or payment. So I think that’s the first place I would probably scale back on borrowing eligibility.

MR. PERRY: Marshall, do you want to chime in here?

MR. STEINBAUM: Yes. I think this is a very important point. So I definitely agree with the basic political sentiment that I feel being expressed both by the question and by Beth which is that if we're cancelling a ton of student debt now lots of loans that are being originated now basically have no expectation of being repaid, which I agree with.

You know, that’s obviously a problem. And that’s a problem for which cancelling out debt is not a sufficient solution. I think the political effect of doing that would be to highlight the problem which I view as a positive upside and, you know, the federal taxpayer would be rightfully questioning, you know, am I just going to have to write another check basically in five years?

Or I should say for swear receiving revenue again in five years as a result of, you know, the fact the higher education system doesn’t work because it’s true that it doesn’t work.

You know, we have to be talking about tuition regulation. That’s what the phrase free college basically refers to. It comes with federal money. In general, the institutions don’t like it because the business model that they run is one in which they're charging high tuition to basically the students that they perceive as being willing to pay that tuition.

Now, the fact is, you know, it’s willingness to pay under I would say under appreciates the necessity that a lot of people have towards credentialing themselves in order to qualify for the labor market. So it’s basically a system that requires the least advantaged people to pay more into it in order to give themselves the degrees that they need.

That’s the model that the higher education institutions have come to depend upon. And I don't think that's a very good model. And I really fear that type -- what Beth is referring to by underwriting federal student loans is basically having the federal government as lender be more discriminating as to who should be qualified to take them out and as for which program. And picking and choosing the programs that are offered by institutions such that they may not be eligible for federal lending.

And I think that's actually like going in the worse possible direction because it is saying that access to this higher education system which is already institutionally segregated, you should have more of the elements of the private mortgage market or the private credit market in general.

Which is to say underwriters being more discerning in the sense of who is likely to be able to repay it. And we know what it means in the private credit market. You know, who ends up paying the highest rates. Who ends up being denied for loans? So that would only worsen issues or institutional segregation.

I am in sympathy with the idea that we need to do something to stop the federal government from basically pumping -- I mean, when I view the accumulated debt is the deficit in state funding of higher education that has been made up by institutions transitioning their business models to be dependent on tuition and the human capital returns to higher education that Beth keeps referring to keep non-materializing.

So instead of being paid off those balances just accumulate over time and this is the money that states have not invested in higher education. So I think the federal government, the institute shifts the burden of paying for higher education off of individual student shoulders but not in a way that basically denies access to higher education to a broad swath of the population.

It's basically as so of the drawbridge reaction to the student debt crisis which I think is terrible inequitable and would be the wrong direction for policies that we should go to with which Andre was referring to. Which is the more public goods oriented version of higher education that is represented by our K-12 system to the extent that it is.

MR. PERRY: Yeah, Braxton. And this is an issue I often hear about and read about is that critics will say that student debt cancellation is a solution for a different problem. And that ultimately that the cost, the inefficiencies in higher education administration are just being passed down to low wealth folks.

How do you respond to those criticisms or folks who say let's put more of a focus on reforming higher education financing or the lack thereof versus that cancellation?

MR. BREWINGTON: Yeah. I don't think that student debt cancellation is being proposed as the solution to fix higher education. It's a crisis all on its own, right?

So we have people who are, you know, in a state of procurity like we talked about and that's why they need cancellation. Yes, though, we should also fix higher education. Just a quick comparison, we should cancel medical debt because people shouldn't be in medical debt. But the response to that is that we should fix our healthcare system as a whole.

Well, yes, obviously. But it would be a really cheap and quick solution to cancel medical debts if people aren't suffering with bills because they got sick or something. So, you know, cancellation student debt is not the solution to reforming higher education. Although, I think it brings us on that pathway to get, you know, some type of legislation passed through Congress which seems difficult. So I think it's, you know, that's why we should be pushing the President to use whatever tool he has at his disposal as fast as he can, which is cancellation.

MR. PERRY: Now, I'm going to talk a little bit about equity in a different -- in the sense of for wealthy folk. We have lots of programs and initiatives that enable families to get some savings for higher education.

We typically don't talk about the benefits to the wealthy. Beth, can you address public policy in terms of the benefits we've given to wealthy folks and how that enters this debate?

MS. AKERS: Yeah. So I'd love to take all higher education benefits out of the tax code to be honest with you because exactly what you just implied which is that they disproportionately benefit people who are of higher income, more financial savvy.

So I, for example, can take advantage of a tax advantage on the 529 savings plan for my son, which I'm doing. I am able to do that because I have the excess income to set aside to save for his education. So I would much prefer we take those benefits away from people like me who, to be frank, don't need them and plug it into Pell Grants because Pell Grants are transparent.

It's much more likely that somebody who is unsure if they can afford college or not will take into account the value of a grant through a Pell Grant rather than thinking, okay, now if I file my taxes do I get a tax credit next year that will help offset the cost or not? I mean that's crazy thinking. That's not how a household budget works especially not for low-income individuals.

So I think it's absolutely a fair criticism. It's on par with the mortgage interest deduction in terms of being just inappropriate and politically motivated.

MR. PERRY: Marshall or Braxton, do you want to weigh in on that or that's good because we actually have a lot of questions coming in. Again, you can tweet #StudentDebt using the hashtag #StudentDebt at BrookingsMetro or you can email events@brookings.edu.

We have a quick very specific program but it's coming in a lot. What about parent PLUS loans? If and how those might be included in any forgiveness cancellation plan? Marshall, I'll have you take up on that one.

MR. STEINBAUM: Yes. So my understanding is that as long as parent PLUS loans have not been refinanced out of the federal system, they're eligible for cancellation. Certainly, legally that's the case.

And so, the question kind of comes down to well what actual proposal is on the table? And nothing to reduce or take parent PLUS loans out of the equation has been mooted to my knowledge. And that is a very important point to emphasize because the federal policy encourages parents and other family members to take on debt to finance the education of their children. And I think especially a lot of Black families take advantage of this. Not just Black families, obviously, in that, you know, it's considered to sort of societally expected that parents will contribute to the education of their children.

And yet, we know there's these huge racial wealth gaps. So what that means for Black families is parents taking out debt. And, you know, that kind of undermines -- I mean it's one of many things that undermines this vision of the student loan system as students investing in their future earnings.

You know, and in particular, you know, traditional students going to college directly after high school, full time until then completing a degree and entering the labor market. That whole narrative under appreciates the diversity of experience with the higher education system including, you know, parents essentially making up for their inability to contribute to their children's education from their wealth by taking out PLUS loans. And so, it's certainly appropriate that they be included in a cancellation proposal.

MR. PERRY: Anybody have anything else they have to add to that? We have a lot of questions around public service loan forgiveness. And I'll just share one. There's several.

What are the chances of forgiveness to public service workers through PSLF, Public Service Loan Forgiveness? Couldn't an option be that PSLF would allow anyone working in public service for 10 years to be forgiven without the curse of the paperwork process?

And by in large, can you just talk about the idea of forgiving loans based on public service? Well, go, Braxton, Beth and Marshall.

MR. BREWINGTON: I mean quickly I think we're getting into -- again, we're starting to whittle down to picking and choosing who is deserving higher education being free and who should be forced to pay for it.

What we know is public service loan forgiveness also doesn't work just like income-driven repayment so The Debt Collective, I can't tell you how many messages we get of people who said, I was seven years into it and it turns out I really wasn't. Or I thought I qualified for it and I've been paying for a decade and it turns out I wasn't.

I mean we start to get into this game of reform and reformist reforms and, you know, I also don't want to be the person to pick and choose, you know, whether we become a social worker is more valuable than a teacher and all of these other professions when we know public education -- this is for the good society so I'll say that.

MR. PERRY: Beth?

MS. AKERS: I absolutely hate the public service loan forgiveness program and it's not for the reason you think. I'm fine with giving people my money, but what I hate is that we're now using the student loans system to solve a problem that's completely unrelated.

So if we believe that socially that people in public service and nonprofits are under compensated and we wish to spend federal tax dollars to supplement the value of their compensation why on earth would we ever do it through this convoluted system which only benefits people who have student loan debt that requires them to make payments for 10 years to be in the program? Just pay them more, right?

Create a tax credit for people who are in public service or who are in nonprofit. So take all that money out of public service loan forgiveness and just pay people more. I might even get onboard with spending more money if you could just get it away from this just terribly complex and awful mechanism that has a lot of problems.

MR. PERRY: Marshall.

MR. STEINBAUM: Yeah. I trusted an AEI scholar to follow up, pay them more with the proposal for an employer tax credit which doesn't actually increase people's pay instead it increases the benefit that's going to employers when they can actually reduce pay as a result of the dependence of the employee on that relationship.

So yes, absolutely. The problem with PSLF is overall that people who have student debt aren’t being paid enough not that, you know, that should necessarily be treated solely through the PSLF program. But the way to cause people to be paid more is to increase their bargaining power in the labor market which involves reducing their student loan amounts among many other things. Not giving a tax credit to their employer.

I think the PSLF program is kind of coming into focus right now because the term on which you have to repay to qualify is on paper at least the lowest of all of the IDR programs so it’s the one that where you have a sensible beneficiaries kind of coming into existence earliest. And so, we're seeing earliest and so we're seeing as grants and earlier referred to the government declining applications or deny applications of like 98 percent of applicants and that’s because they think they have qualified, but in fact they haven’t qualified because they're not in the right income-driven retainer program before. They apply for cancellation.

So all of that is a bureaucratic nightmare. I think, you know, bureaucratic nightmares aren’t just that because they tell you the priorities of policymakers and the people in power. And I think what happened is that a program was created in like 2006 that wasn’t sort of understood to be as generous or at least as -- implied to be as generous as it really was.

So lots of people have essentially structured their whole lives and institutions have, I would guess, I’m pretty sure structured programs as well as tuition with the expectation that this program will eventually forgive a debt that’s taken on to attend, and that’s just not been the case. And so, the government is kind of on this hook for an implied commitment that nobody anticipated as being as large in 2006 when the program was created. And I would just say that is true of the entire edifice which is a lot bigger than PSLF.

So, you know, just because we're not at 20 years yet doesn’t mean that we bet IDR is okay and, you know, PSLF is just bureaucratic difficulties that need to be iron out.

MS. AKERS: One question I can just say the effect of an individual tax credit on public service on wages and the capture for employers would be identical to student loan cancellation between PSLF.

MR. STEINBAUM: No, I don't agree with that because you're not dependent on the employer. I mean, getting the tax credit turned up in wages means that, you know, the employer can deny you the ability to claim it. And, you know, I guess what you're implying is that an employer that is in a position to certify you for PSLF, I'm not sure if that's the case in all cases, but the, you know, that's only going back. You know, PSLF looks back 10 years before it is public service and EIGC just to take the example that I said you're referring to is ongoing basis.

So it's like you're not as dependent on any one employer to claim the benefit of PSLF as you are on any one employer to claim the benefit of EITC.

MR. PERRY: Now, I want to get this point of the reason why, at least I write on this topic, is that when again when you center Black people in an experience, it really gives you new insights on how to move forward with that cancellation.

And I just want to come back to this point. You know, how should we factor in the racial wealth divide to these initiatives? I mean, are there considerations when it comes specifically to Black families in discharging some of this debt? I'll have Braxton take that on.

MR. BREWINGTON: I mean I think Braxton Simpson made it really clear and the Biden administration, since this is the administration we're under, has also made it very clear that they strive to advance racial justice. And Derrick Johnson, the NAACP president made it even clearer. You can't advance racial justice without cancelling student debt.

So I think we're hearing a gross of voices who I would say have a pretty strong authority on the issue of racial justice and narrowing and closing the racial wealth gap that, you know, you can't divide, you can't separate racial wealth and this gap as well as gender gaps and other types of gaps from cancellation and, you know, from these broad sweeping policies.

And as Braxton Simpson said, you know, we need to center the people who are the most marginalized and actually everyone else around them begin to reap those benefits as well. So I think you're right.

MS. AKERS: Something I'm concerned about is that in fact this conversation leaves out all together the most economically vulnerable Black Americans and those are those who have not had access or chosen to go into higher education all together.

So, you know, a transfer to Black Americans with student loan debt of course would have an impact on the distribution of wealth while racialized in this country, but what happens to the rest of Black Americans who are left behind?

It seems to me that a lot of these arguments are, in fact, arguments for reparations rather than arguments versed in loan cancellation. And again, are we using the wrong mechanism for solving a deeper social problem?

MR. PERRY: Marshall, do you have anything to add there?

MR. STEINBAUM: Yes. I just do want to take this opportunity to make the point that I think was sort of alluded to earlier in this conversation, but not made explicitly which is that earlier in the debate over student debt cancellation there was an idea in currency that cancelling too much student debt worsens racial wealth inequality. And that's how we got to this place where we're arguing over forgiveness amounts because the framing was essentially like you can't go too far. You have to find the right amounts such that you're reducing racial wealth and inequality and not increasing it by cancelling too much student debt which I put very emphatically in air quotes.

I think what the research has now shown including Andre's and Carl's research is that there is no too much student debt cancellation visavis the wealth gap. And that speaks to the point that Beth is making which is that, you know, there's some Black households or any households that don't have student debt at all and they're the worst off.

It is certainly true that there are poor people that don't have student debt but when we actually measure the effect of cancelling student debt on the racial wealth gap, it reduces the more student debt you cancel. So that doesn't speak in favor of limiting cancellation.

There are, of course, other policies that should be enacted in order to reduce racial inequality but there's no sense in which cancelling student debt somehow worsens racial wealth and inequality on any dimension.

MR. BREWINGTON: And I wanted quickly to just state that cancelling student debt and closing this racial wealth gap is not about reparations. It's about higher education as a public good and that student debt in and of itself is illegitimate. And so, that's why we're fighting for a cancellation because higher education is and should be a public good. And was a public good for people like Joe Biden and other, you know, folks of that generation that could reap the benefits of higher education.

And so, really what we're asking for is parity not reparation.

MR. PERRY: We only have a few minutes left. And I actually want us to close on this question that we received. What is the future of higher education if nothing is done about the student loan debt crisis? Do we return to the time when only the privileged can obtain a college degree?

I think you know what that person means or that the cost is not burdensome on low-income folks or low well folks. What happens to the rest of the workforce given that good jobs increasingly require a college degree? It's a great question. What happens if nothing is done? And we'll go Marshall, Beth and close out with Braxton.

MR. STEINBAUM: Yes. I think that's a great point. And the answer is should things stay the same which means getting worse. So institutional segregation gets worse. I think the question is saying that essentially, you know, more disadvantaged people will be priced out of the higher education system all together and it becomes an elite enclave of the rich.

And I think that's basically right of more of acute way of putting it is that the best resourced, highest prestige institutions become even more gated communities for the rich. And those are the credentials that sort of unlock the elite type jobs.

So you have a more stratified society that is conditioned, accessed to the elite more and more on having attended institutions that are transforming their business models to really exclude the disadvantaged students and solely promote the most advantaged students as well as a scholar.

So there's just a huge amount of institutional segregation in the U.S. higher education system already. We know that that's the case from lots of different research about this. And I would say, you know, nothing changes that that is what gets worse. So worsening outcomes at poorer, less resource institutions that serve disadvantaged populations and better outcomes for people who are somehow able to claw their way into the best.

And when I use the term claw their way in, it's because, you know, that's because they know the admissions director because their parents are friends with him at the country club or something like that.

MR. PERRY: And quickly how can people get in contact with you on Twitter?

MR. STEINBAUM: My Twitter handle is econ_Marshall and I look forward to seeing you there.

MR. PERRY: Beth, that question. What happens if we do nothing?

MS. AKERS: So, you know, I think it's untenable to do nothing. I think there is absolutely demand intervention. I think all sides of the aisle are in agreement on this. It's just a matter of time before something gives.

You know, suppose that doesn't happen? I will give a more optimistic prediction of the future just for the sake of balance. I think one direction that we're moving in that is positive is around information. So historically when, you know, you all and I went to college we didn't have the information that would help us make a good bet financially on our degree.

That has changed. So students today have the potential if we arm them with the knowledge to do so to make decisions that minimize the chance that they're going to end up in a position of having that this unaffordable to them.

That ultimately can put downward pressure on prices so that institutions have to respond either by delivering more value to their students or lowering prices. So I think in the ideal textbook economics world that’s what we would see happening as a result of this trend of more information and hyper focus on these issues of individual finance and higher education.

MR. PERRY: Braxton Brewington, close us out with some thoughts on what happens if we do nothing.

MR. BREWINGTON: So I think either way we're going to get cancellation. I think if Joe Biden cancels it now, we’ll get cancellation. If he doesn’t do anything, debtors will cancel student debt ourselves because debtors will get organized where The Debt Collective has the nation’s worse debtor’s union.

What you're going to see is mass people engaging in economic disobedience where people are going to go on debt strike as a lot of folks are already now. So people are going to simply politicize their refusal to pay back student loans like it’s called can’t pay, won’t pay.

So I think what we're seeing right now is a lot of people who can’t afford to pay and soon people will start saying fine. I won’t pay because this debt is illegitimate. So I think either way, I’m going to propose we will get cancellation.

MR. PERRY: Well, this has been a wonderful event. I want to thank Marshall, Beth and Braxton for their wonderful contributions. Also, Carl and then Braxton as well and Senator Schumer for making this a wonderful conversation.

I encourage all of you to continue engage by using the hashtag #StudentDebt. And I forget, Beth, what’s your hashtag?

MS. AKERS: I'm Dr. Beth Akers on Twitter.

MR. PERRY: Braxton what's your Twitter handle?

MR. BREWINGTON: I'm going to put The Debt Collective which is @StrikeDebt on Twitter.

MR. PERRY: And I'm Andre Perry. You can reach me at AndrePerry.edu. And I want to thank you on behalf of the entire Brookings' team. We had a great folks in the background behind the scenes, Karen and others who are just doing a phenomenal job. Please stay on top of this issue. Read the reports. We'll make sure we Tweet those out. And again, thank you for joining us for this wonderful conversation.

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