



STUDENT
BORROWER
PROTECTION
CENTER

Student Debt & Nonprofits:

How to Support Your Staff and Constituents with Their Student Debt

2023

Speakers:



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An Overview for Our Time:

- Setting the stage. What does student debt look like across the United States?
- Recent legal developments
- Nonprofits and student debt management and access to debt relief
- The “A Word“: The limits and potential of advocacy for nonprofits

Setting the Stage: What does student debt look like across the United States?

Student debt in North Carolina by the numbers

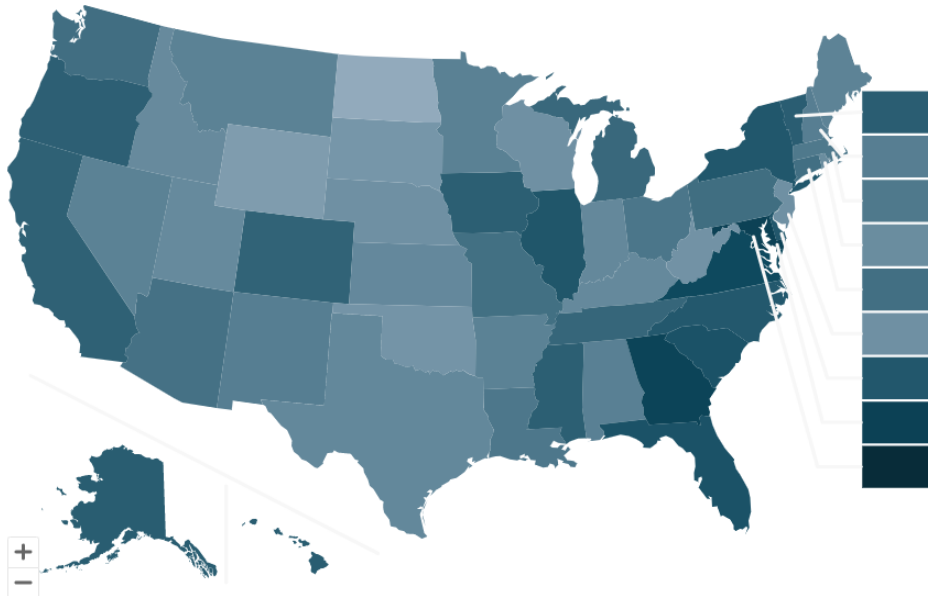
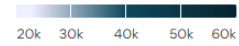


- **\$51.2 billion** in outstanding student loan debt
- **1.3 million** student loan borrowers
- **11.9 billion** outstanding for borrowers aged 55-84
- **\$37,928** average student debt per North Carolina borrower

Sources: U.S. Department of Education, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia, U.S. Census Bureau

Student Debt: A Cycle of Inequity

Student Loan Debt by State Map



North Carolina

Average Student Loan Debt per Borrower, 2021 - **\$38,287**

•Georgia has a higher prevalence of student loan debt and more student debt per capita than any other state.

•Mississippi the second least educated state with some of the highest student debt levels in the country

•States' student debt levels tend to reflect their racial demographics, emphasizing the Black student debt crisis.

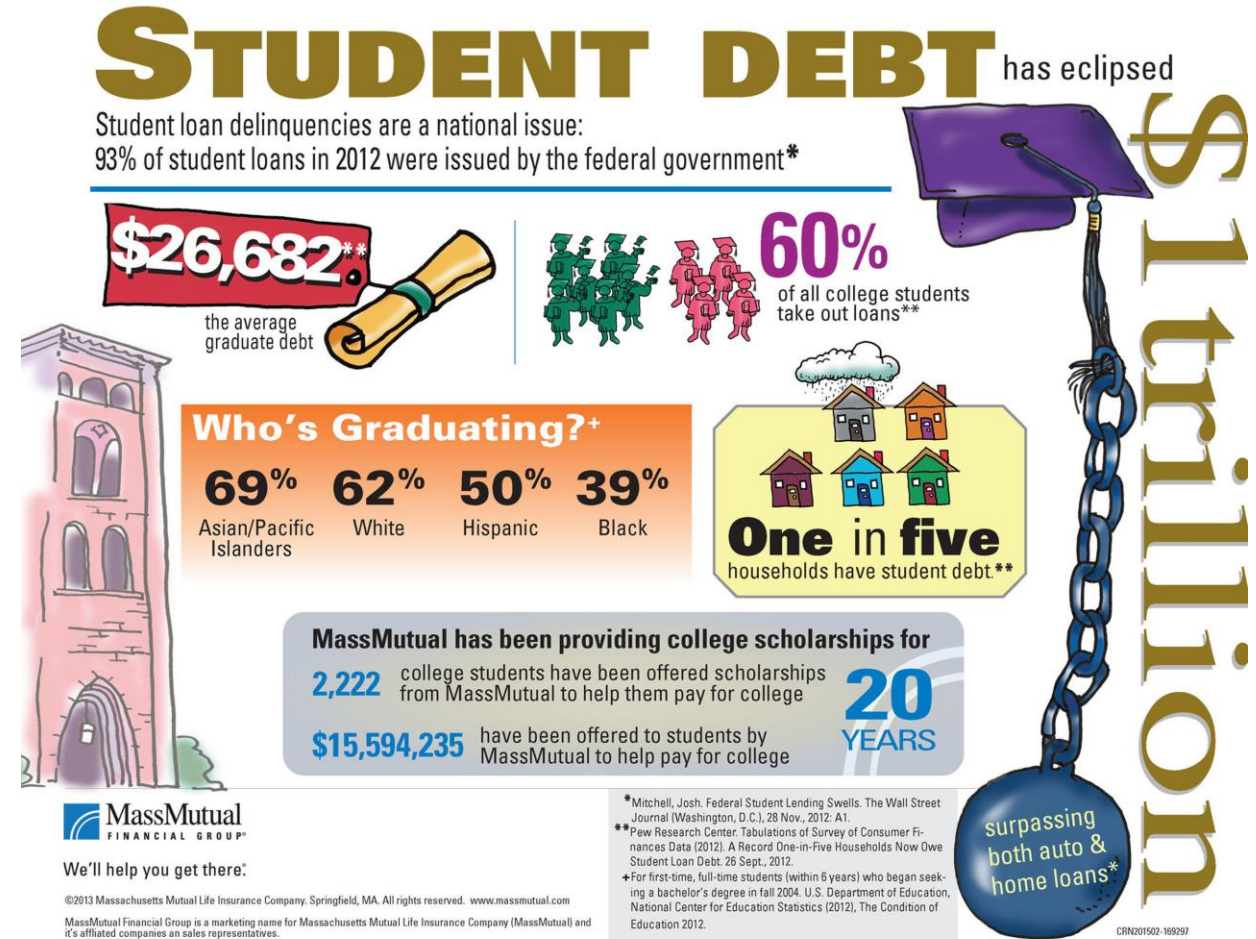
Areas With the Highest Student Loan Debt per Capita

1. Washington, D.C. (\$9,701)
2. Georgia (\$6,417)
3. Maryland (\$5,888)
4. Mississippi (\$5,559)
5. South Carolina (\$5,471)

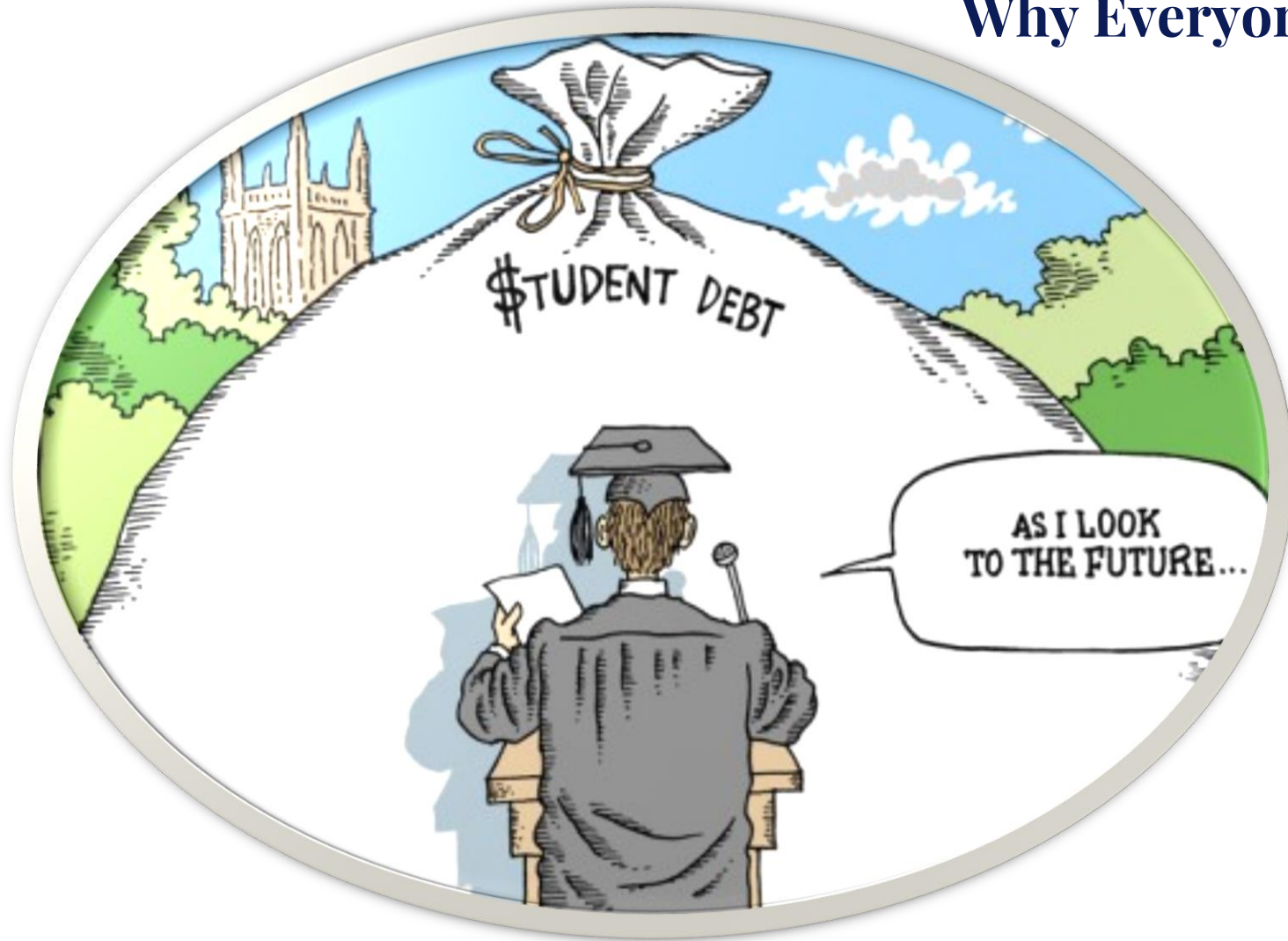
Sources: [Federal Student Aid, an Office of the U.S. Department of Education](#). March 2022, [U.S. Census Bureau](#). December 2021.

Who is most affected by Student Loan Debt?

- Women hold the majority of student loan debt
- Black and Latinx borrowers take on more debt to finance higher education
- Black and African American college graduates owe an average of \$25,000 more in student debt than White college graduates
- Four years after graduation, 48% of Black students owe an average of 12.5 percent more than they borrowed



Why Everyone Should Care about Student Debt?



- **Negatively impacts rural communities**
- **Limits career choices**
- **Generational inequity**
- **Reduces economic growth**
- **Affects mental health**

Legal Developments

Changes to federal student loan policy

- Payment pause/return to repayment
- Public Service Loan Forgiveness (PSLF)
- Income Driven Repayment (IDR) Account Adjustment
- Fresh Start
- Cancellation

Biden Administration Student Debt Relief Proposal

As proposed for federal student loan borrowers in 2022

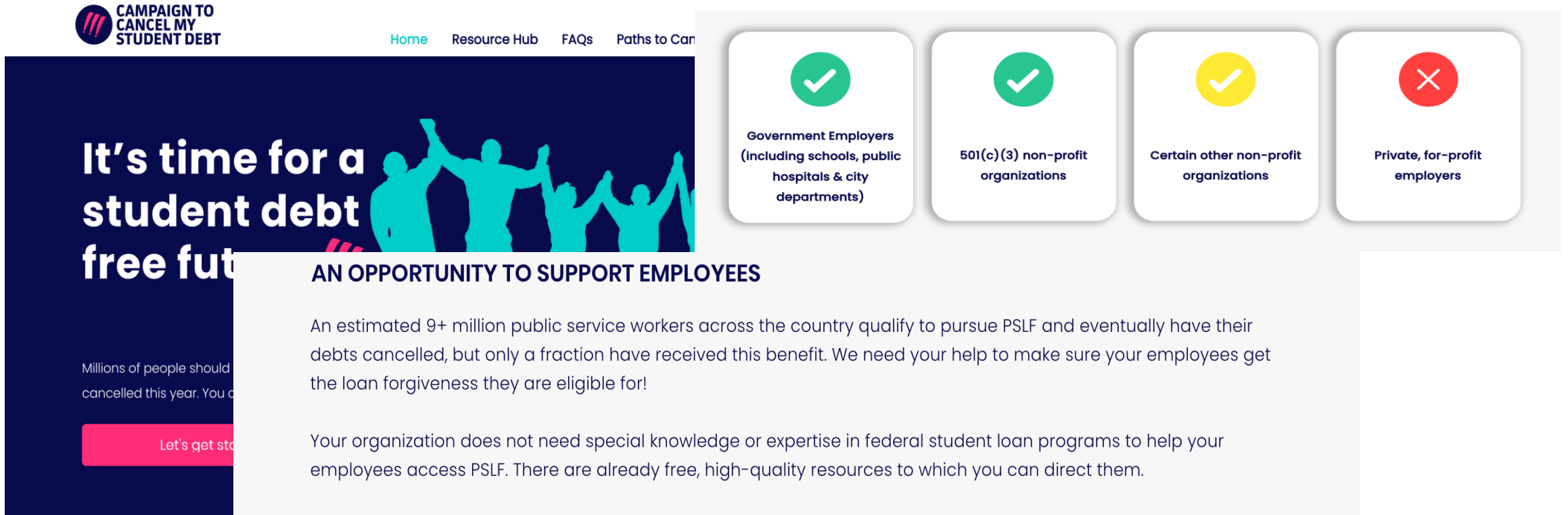
- Broad-based debt relief of up to \$20,000, depending on income and Pell status.
 - The amount of loan debt canceled will depend on whether the borrower received a Pell Grant in college.
 - Up to \$20,000 for borrowers who received a Pell Grant in college
 - Up to \$10,000 for borrowers who did not receive a Pell Grant in college
 - \$125,000 for individuals or \$250,000 for married couples/heads of household
- SAVE Income-Driven Repayment plan

Student Debt Relief Program in the Courts

- The Biden Administration used HEROES Act authority for broad student debt cancellation.
- The Supreme Court will hear oral arguments for both cases on February 28, 2023.
 - *Biden v. Brown* (Fifth Circuit)
 - *Biden v. Nebraska* (Eighth Circuit)
 - On June 29, 2023, the Supreme Court struck down the debt relief plan in a 6-3 decision, stating it was impermissible under the HEROES Act.
- The Biden Administration is pursuing relief through negotiation rulemaking at the Department of Education under Higher Education Act (HEA) authority.

**Nonprofits and student debt
management and access to
debt relief.**

CancelMyStudentDebt.org Employer Toolkit



AN OPPORTUNITY TO SUPPORT EMPLOYEES

An estimated 9+ million public service workers across the country qualify to pursue PSLF and eventually have their debts cancelled, but only a fraction have received this benefit. We need your help to make sure your employees get the loan forgiveness they are eligible for!

Your organization does not need special knowledge or expertise in federal student loan programs to help your employees access PSLF. There are already free, high-quality resources to which you can direct them.

It would be hard to overstate the excitement and gratitude your employees will experience when you help them cancel their federal student loans. If you can help even one employee by publicizing this opportunity, it will be worth it. Imagine the magnified impact you can have if loans are cancelled for 5, 10, or 25 employees!

Sharing information to help your employees address their student loan debt through federal programs like PSLF is a win-win situation.

Action

- Employers can provide student loan debt information
- Promote trusted sources
- Review policies to help employees access relief programs

Education

- Tell community about upcoming deadlines
- Partner to provide trainings for borrowers
- Identify opportunities to work to coalition with student debt advocates

The limits of advocacy for nonprofits

The Limits and Potential of Advocacy in Nonprofits

Advocacy Letters

260+ Organizations Urge Congress to Reject Efforts to Attack Student Loan Borrowers through the CRA

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Advocacy Letters

175+ Organizations Send Letter to President Biden Urging Swift Action to Enact New Student Debt Cancellation Plan Immediately

Cities and Counties Urge Swift Action to Enact New Student Debt Relief Plan

Dear Mr. President,

On behalf of more than 1.2 million student loan borrowers in 20 cities and counties with nearly \$50B in student debt, we write to thank you for continuing to fight on behalf of student loan borrowers by announcing plans to enact a new debt relief plan under the Higher Education Act. Given the crushing weight of the student debt crisis on borrowers and their communities, and the extended economic limbo millions of borrowers have been forced to endure as partisan lawsuits blocked transformative debt relief in the courts, we urge you to continue the necessary work to deliver on your promise of up to \$20,000 in student debt relief and enact your new debt relief plan as [swiftly as possible](#).

NC Student Debt Relief Coalition



Shaping a South
where all people thrive

The Student Debt Space is Complicated. . .

Some of the problems:

1. **Rapidly changing space:** recent changes in the student debt space have created confusion among student loan debtors. It is also difficult for debtors to keep track of changes and what this results in for their specific situation.
2. **"Hi this is [Insert Name], with the Student Debt Relief Center – if you could give us a call back.":** Scams attach themselves to confusion and fear. Scams are rampant in the Student Debt space making accessible and timely outreach difficult.
3. **Debt is stigmatized:** there is often shame and guilt associated with student debt burdens, making it difficult to organize student debtors.
4. **The down-stream effects of student debt are numerous, complicated, and often hidden:** the effects of the student debt crisis are often hidden. Student debt affects the work of many organizations without people being aware.

North Carolina - Student Debt Relief Coalition

What we hope to change:



Information: Student debtholders will receive timely, accurate, and accessible information about debt relief options from coalition member organizations.



Progress: Communities will build their power and show tangible progress. More student debtholders will seek relief. The centering of equity-based practices will close racial wealth gaps and support upward economic mobility.



Narrative: The coalition will reduce the stigma associated with student debt by shifting conversations toward transparency and accessibility.



Process: The coalition will seek out and amplify student debtholder and community voices to better co-create the coalition and empower members.



Learning: MDC and members will learn how to improve debt relief outreach and develop recommendations for conducting outreach for future resources.



Advocacy: More organizations will learn about and support additional efforts to reduce student debt and make postsecondary education more affordable.



Modeling: MDC and coalition members will demonstrate a model for student debt relief work that could be adapted for the other 12 Southern states.

Resources

- **SBPC online resource:** <https://www.cancelmystudentdebt.org/>
- **NCLC Student Borrower Assistance page:** <https://www.studentloanborrowerassistance.org/for-advocates/tools-resources-to-use-with-borrowers/>
- **SBPC webinars:** <https://protectborrowers.org/events/>
- **Federal Student Aid (FSA):** <https://studentaid.gov/>
- **FSA Ombuds link to file complaints:** <https://fsapartners.ed.gov/help-center/fsa-customer-service-center/service-centers-for-students/office-of-the-ombudsman-fsa>

Thank You



protectborrowers.org