STUDENT LOANS, DEBT, AND FACULTY LABOR

THE POLITICS OF FINDING REAL SOLUTIONS TOGETHER

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A NATIONAL ISSUE

On the Hook
Record level of student debt shows no signs of slowing

- Student Loan Balance

Source: Federal Reserve Bank of New York; Bloomberg
STUDENT LOANS IN CALIFORNIA

California has:

- 3,791,200 borrowers
- $141 billion in debt
- $37,536 average debt per borrower
- 502,846 borrowers behind on their student loans

Source: Student Borrower Protection Center, California Borrower Bill of Rights
GROWTH IN WAGES IS NOT KEEPING UP

Student Debt Significantly Outpacing Wage Growth

Median wages have increased 1.6% over the last 25 years while median debt has risen 163.8%.

Sources: Brad Hershbein of the W.E. Upjohn Institute for Employment Research, U.S. Department of Education, Federal Reserve Bank of New York, Mark Kantrowitz

Notes: Median debt at graduation for bachelor's degree recipients only. 2015 figure is a projection. Median wages for graduates aged 22 to 27, full-time workers only, with a bachelor's degree only. Figures expressed in constant 2015 dollars, adjusted using U.S. Bureau of Labor Statistics, Consumer Price Index.

Image Source: The Huffington Post
PEOPLE STRUGGLE TO KEEP UP

Student Loan Distress

The share of student debt at least 90 days late has nearly doubled over the past 12 years.

Source: Federal Reserve Bank of New York
Notes: Rates are derived from loan balances, not borrower count.

Image Source: The Huffington Post
AN ISSUE OF RACIAL AND SOCIAL JUSTICE IN THE UNITED STATES

• Women hold almost two-thirds of the outstanding student loan debt in the United States, according to a key study by American Association of University Women, a nonprofit based in Washington, D.C., that promotes equity and education for women and girls.

• Black women have the highest student loan debt of any racial or ethnic group, according to the AAUW report. African American women end up with on average $10,880 more in college debt — or nearly 56% more in debt — than the average white male.
  • Source: Detroit Free Press, Black women bear largest burden in student debt crisis.
AND IN THE CALIFORNIA STATE UNIVERSITY SYSTEM

Figure 3: Bachelor's Degree Recipients Who Graduated in 2015-16 with Debt, by Family Income

- 65% Less than $27k
- 8% $27,001 - $54k
- 13% $54,001 - $80k
- 5% $80,001 - $107k
- 4% $107,001 - $134k
- 6% More than $134k

3 out of 4 African-American bachelor’s degree recipients in 2015-16 graduated with student loan debt.

Source: Where Debt Comes From at CSU: Unequal Burdens Among California State University Graduates, California State Student Association and The Institute for College Access and Success
SERVICES ARE CONFUSING AND DYSFUNCTIONAL

The estimated number of people eligible for student debt forgiveness:
32,000,000

The estimated number of people enrolled in student debt forgiveness:
874,379

Image source: Forgive My Student Debt – A project of Debt-Free Future by The American Federation of Teachers
CFA ADVOCACY FOR FREE HIGHER EDUCATION

- **Analysis** of the FHE landscape in CA and the country
- Position paper outlining **CFA vision** for Free Public Higher Education
- Analysis and **lobbying for/against** legislative affordability initiatives (e.g., Degrees Not Debt)
- **2017 CFA Assembly Resolution** supporting Free Public Higher Education
- **2018 Sponsored Legislation**: Eggman Free Higher Ed bills
  - AB 2351: This bill would define what is meant by free higher education and would establish a funding source.
  - ACA 13: This bill would exempt AB 2351’s funding source from proposition 98 and the Gann rule.
- **Research** on dedicated funding source for higher education
WHAT SOLUTIONS ARE BEING DISCUSSED

Should the government cancel existing student debt, and if so, for everyone or based on income?

CANCEL ALL DEBT
- Messam
- Sanders

CANCEL BASED ON INCOME
- Bennet
- Booker
- Castro
- Warren
- Williamson

ALLEVIATE DEBT BURDENS IN OTHER WAYS
- Biden
- Bullock
- Buttigieg
- Delaney
- Gabbard
- Gillibrand
- Harris
- Hickenlooper
- Inslee
- Klobuchar
- Moulton
- O’Rourke
- Ryan
- Sestak
- Yang

UNCLEAR/NO RESPONSE
- De Blasio
- Steyer

Source: Washington Post