Student Loans Brief

November/December, 2023

Resolved: The United States federal government should forgive all federal student loan debt.

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Affirmative Case

Carded AFF

Contention One: Economic Security

Small businesses are key drivers of America's economy

Martin **Rowinski '22**

Rowinski, Martian. "How Small Businesses Drive the American Economy." Forbes, March 5, 2022, https://www.forbes.com/sites/forbesbusinesscouncil/2022/03/25/how-small-businesses-drive-the-american-economy/?sh=4b6fcd374169

According to the U.S. Small Business Association (SBA), small businesses of 500 employees or fewer make up 99.9% of all U.S. businesses and 99.7% of firms with paid employees. Of the new jobs created between 1995 and 2020, small businesses accounted for 62%—12.7 million compared to 7.9 million by large enterprises. A 2019 SBA report found that small businesses accounted for 44% of U.S. economic activity. Without small businesses, the American economy and workforce would be a pretty wild landscape to imagine.

Student loan debt reduces small business formation

FRBP '15

Ambrose, Brent, Larry Cordell, and Shuwei Ma. "The Impact of Student Loan Debt on Small Business Formation." Federal Reserve Bank of Philadelphia, July 2015,

https://www.philadelphiafed.org/the-economy/the-impact-of-student-loan-debt-on-small-business-formation

Our results indicate that student debt differs from overall consumer credit. While student debt is used to fund increases in human capital (education), the utilization of student debt reduces an individual's ability to access other forms of credit. These results suggest a debt tradeoff for new small firms in which a larger amount of student debt lowers individuals' ability to start new small businesses. **We find a significant and economically meaningful negative correlation between changes in student loan debt and net business formation for those firms with one to four employees. This is important because these small businesses depend on personal debt the most to finance new businesses. Based on our model, an increase of one standard deviation in student debt reduced the formation of new businesses with one to four employees by 14% on average in each county between 2000 and 2010.** However, for firms with 20 or more employees, an increase of one standard deviation in student debt use resulted in a decline of 10 new firms, or approximately 6.2%.

Loan forgiveness supports entrepreneurs and reduces economic pressure at a time when too many threats prevent them from starting businesses.

Jude **Cramer '22**

Cramer, Jude. "Student loan debt hobbles small business owners too. Biden's forgiveness plan might help." Fast Company, www.fastcompany.com/90795293/student-loan-debt-small-businesses-capital-one-biden

Small business owners cited inflation, cash flow, and low sales as their biggest challenges over the past year, with concerns over inflation rising by 10% since March. Almost half of all small business owners (48%) report currently experiencing burnout, or having felt it in the past month. And of small business owners facing student loan debt, one-third report that it has negatively impacted their ability to scale or grow their business. But that cohort sees relief on the horizon: **76% of small business owners with student loan debt say that Biden's loan forgiveness plan will allow them to invest more into their business.** The application for that loan forgiveness plan, which would forgive $10,000 in federal student debt for individuals earning less than $125,000, still has no set release date, but White House officials have said the program is still on track for an October launch. **The loan forgiveness program could have an even greater impact on small business owners than the student loan repayment, interest, and collection pause that took place during the COVID-19 pandemic, which only 56% of small business owners with student loans said allowed them to invest more in their business. Long story short, though inflation and other economic woes aren't going anywhere, student debt relief could be the boost small businesses need to keep growing in a shifting marketplace.**

Forgiveness protects small businesses and jobs.

Martin **Rowinski '22**

Rowinski, Martin. "How Small Businesses Drive the American Economy." Forbes, March 5, 2022, https://www.forbes.com/sites/forbesbusinesscouncil/2022/03/25/how-small-businesses-drive-the-american-economy/?sh=4b6fcd374169

A 2019 SBA report found that small businesses accounted for 44% of U.S. economic activity. Without small businesses, the American economy and workforce would be a pretty wild landscape to imagine.

Impact: Loan forgiveness reduces unemployment and boosts GDP.

Roosevelt Institute '21

"Unburdened: How Canceling Student Debt Can Boost Growth, Equity, and Innovation." Roosevelt Institute, https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf

Freeing up funds through debt cancellation would allow millions of borrowers to spend into the broader economy. Short-term consumption levels could be boosted by as much as 4 percent, increasing real GDP by between $86 billion and $108 billion over 10 years. New economic activity generated by debt cancellation would reduce the unemployment rate between 0.22 and 0.36 percentage points over the next decade though inflation and other economic woes aren't going anywhere, student debt relief could be the boost small businesses need to keep growing in a shifting marketplace.

Contention Two: Equity

Debt forgiveness leads to racial equity

Student debt burdens Black families more.

Andre **Perry 21'**

"Student loans, the racial wealth divide, and why we need full student debt cancellation." Brookings Institute, June 2021, https://www.brookings.edu/articles/student-loans-the-racial-wealth-divide-and-why-we-need-full-student-debt-cancellation/

But a college degree does not eliminate the income gaps between white and Black workers. Black students finance their education through debt, and thus college degrees actually further contribute to the fragility of the upwardly mobile Black middle class. And because education does not achieve income parity for Black workers, the disproportionate debt Black students are taking to finance their education is reinforcing the racial wealth gap. Today, the average white family has roughly 10 times the amount of wealth as the average Black family, while white college graduates have over seven times more wealth than Black college graduates. Most analysts believe there is a student debt problem in the United States, and even conservative scholars acknowledge some debt must be forgiven. Tuition is outpacing students' ability to pay, and the share of students taking out loans to finance their degrees rose from roughly half (49%) to over two-thirds (69%) from 1993 to 2012, according to the Pew Research Center. Between 1993 and 2020, the average loan amount grew nearly three-fold, surpassing $30,000.

Black Americans hold more student loan debt for a longer time than White Americans

Judith **Scott-Clayton 22'**

"Shrinking Racial Gaps in Student Debt and Default: Recommendations to Congress." Community College Research Center, March 6, 2019, https://web.archive.org/web/20231002004211/https://67.205.94.182/easyblog/shrinking-racial-gaps-student-debt-default-congress.html

Black college graduates start out owing more than their White peers, but the gap in student loan debt more than triples over the next few years. **Growing interest and borrowing for graduate school lead to**

Black graduates holding nearly $53,000 in student loan debt four years after graduation, almost twice as much as White graduates. The picture gets even worse further out from graduation. While cumulative default rates continue to rise for all borrowers between 12 and 20 years after students start college, Black graduates with a bachelor's degree default at five-times the rate of White bachelor's graduates—21% compared with 4%. Among all college students who started in 2003–04 (not just borrowers), 38% of Black students defaulted within 12 years, while 12% of White students defaulted. Many of these students who defaulted attended for-profit colleges, where almost half of students default within 12 years of college entry. But even after accounting for student and family background characteristics (such as family income, wealth, and parental education); total amounts borrowed; college experiences (including type of institution attended, degree attainment, and college GPA); and post-college employment status and income, there remains an 11-percentage-point Black–White disparity in default rates.

Impact: Student loan debt has a significant impact on social mobility

Raphael 20'

"Student Debt Forgiveness Options: Implications for Policy and Racial Equity." Roosevelt Institute, August 2020, https://rooseveltinstitute.org/wp-content/uploads/2020/08/RI_StudentDebtForgiveness_WorkingPaper_202008.pdf.

The assumption that college is the primary means to achieve economic mobility is undermined by the contemporary reality of student debt. Many argue that student debt is a reasonable investment, more than repaid through higher future earnings. **However, the cumulative effects of rising costs of attendance, the changing student population and higher education landscape, and trends in post-college employment options challenge this assumption. College tuition has risen significantly over this period and income has not kept up. The result is a credentialization trap (McMillan Cottom 2017) whereby more education is required to get the same jobs: "As successive cohorts have climbed further up the ladder of higher education, the ladder itself is subsiding"** (Morgan and Steinbaum 2018, 6). While student debt has always most affected young people (for obvious reasons), student debt is now following people much longer than it used to. Almost a third of student debt is held by people over 40 (Sullivan et al., 2015). Student debt is also hindering people, especially young educated adults, from making significant investments, like buying a home (Mezza, Ringo, Sherlund, and Sommer 2016). In 2017, a survey found student debt was the most common expense preventing first-time homebuyers from saving for a down payment (55 percent of first-time buyers and 38 percent of repeat buyers) (National Association of Realtors).

Impact: Student loan forgiveness leads to increased wealth for Black Americans

Michelle **Fox 22'**

"Student loan forgiveness could help narrow the racial wealth gap, say advocates. Here's how." CNBC, June 17, 2022, https://www.cnbc.com/2022/06/17/student-loan-forgiveness-may-narrow-racial-wealth-gap-say-advocates-.html

Forgiving student debt can have an impact on the racial wealth gap, although it is not the only solution to a complex problem, advocates contend. Instead, it's a first step toward addressing it, they said. **Canceling $50,000 in student debt for households with income below $100,000 would increase black borrowers' wealth to 33% of white borrowers' wealth, up from 5%, according to "A Pathway to Racial Equity." Bumping it to $75,000 in forgiveness would raise it to 42%, the report found.** "While the amount itself is not going to have a huge immediate impact on the racial wealth gap, it can help people at a really crucial time," Charron-Chenier said.

Paraphrased AFF

We affirm the resolution. (Resolved: The United States federal government should forgive all federal student loan debt.)

Contention One: Economic Security.

Small businesses are key drivers of America's economy. **<u>Rowinski '22</u>** explains that small businesses of 500 employees or fewer make up 99.9% of all U.S. businesses and 99.7% of firms with paid employees. Of new jobs created between 1995 and 2020, small businesses accounted for 62%—12.7 million.

Student loan debt reduces small business formation. **<u>FRBP '15</u>** finds a significant and negative correlation between changes in student loan debt and net business formation for those firms with one to four employees, [which] is important [as] these small businesses depend on personal debt the most to finance new businesses. An increase of one standard deviation in student debt reduced the formation of [these] new businesses by 14% on average between 2000 and 2010."

Loan forgiveness supports entrepreneurs and reduces economic pressure at a time when too many threats prevent them from starting businesses. **<u>Cramer '22</u>** explains that One-third [of] small-business owners with student loan debt] report that it has negatively impacted their ability to scale or grow their business. 76% of small business owners with student loan debt say that Biden's forgiveness plan will allow them to invest more into their businesses.

Forgiveness protects small businesses and jobs. **<u>Rowinski '22</u>** explains that A 2019 SBA report found that small businesses accounted for 44% of U.S. economic activity. Without small businesses, the American economy and workforce would be a pretty wild landscape to imagine.

Impact: Loan forgiveness reduces unemployment and boosts GDP. **<u>Roosevelt Institute '21</u>** explains that Freeing up funds through debt cancellation would allow millions of borrowers to spend into the broader economy. Short-term consumption levels could be boosted by as much as 4 percent, increasing real GDP by between $86 billion and $108 billion over 10 years. New economic activity generated by debt cancellation would reduce the unemployment rate between 0.22 and 0.36 percentage points over the next decade though inflation and other economic woes aren't going anywhere, student debt relief could be the boost small businesses need to keep growing in a shifting marketplace.

Contention Two: Equity

Debt forgiveness decreases the racial wealth gap.

Student debt burdens Black families more. Perry 21' But a college degree does not eliminate the income gaps between white and Black workers. Black students finance their education through debt, and thus college degrees actually further contribute to the fragility of the upwardly mobile Black middle class. And because education does not achieve income parity for Black workers, the disproportionate debt Black students are taking to finance their education is reinforcing the racial wealth gap.

Black Americans hold more student loan debt for a longer time than White Americans. Scott-Clayton 22' Growing interest and borrowing for graduate school lead to Black graduates holding nearly $53,000 in student loan debt four years after graduation, almost twice as much as White graduates. The picture gets even worse further out from graduation. While cumulative default rates continue to rise for all borrowers between 12 and 20 years after students start college, Black graduates with a bachelor's degree default at five times the rate of White bachelor's graduates—21% compared with 4%.

Student loan debt has a significant impact on social mobility. Raphael 20' However, the cumulative effects of rising costs of attendance, the changing student population and higher education landscape, and trends in post-college employment options challenge this assumption. College tuition has risen significantly over this period and income has not kept up. The result is a credentialization trap (McMillan Cottom 2017) whereby more education is required to get the same jobs: "As successive cohorts have climbed further up the ladder of higher education, the ladder itself is subsiding"

Impact: Student loan forgiveness leads to increased wealth for Black Americans Fox 22' Canceling $50,000 in student debt for households with income below $100,000 would increase black borrowers' wealth to 33% of white borrowers' wealth, up from 5%, according to "A Pathway to Racial Equity." Bumping it to $75,000 in forgiveness would raise it to 42%, the report found.

Thus, we affirm.

Negative Case

Carded NEG

Contention One: Political Capital

Complete federal loan forgiveness is exorbitantly expensive. To pay for it, the government would have to cut funds from other public benefits programs. This would harm poverty-reducing efforts and enforce poverty cycles.

Debt forgiveness is very expensive

Phillip **Swagel 23'**

"Costs of Suspending Student Loan Payments." CBO, 26 September 2023, https://www.cbo.gov/system/files/2022-09/58494-Student-Loans.pdf

Based on data from the Department of Education, forgiving all federal loans would cost on the order of $1.6 trillion. Forgiving student debt up to $50,000 per borrower would cost about $1 trillion.

Politicians have put social welfare programs on the chopping block as a way to reduce the federal deficit.

Melissa and Luke Pardue **Kearney 23'**

"Is Cutting the Safety Net an Effective Way to Reduce Government Spending?", EconoFact, 24 May 2023, https://econofact.org/is-cutting-the-safety-net-an-effective-way-to-reduce-government-spending.

High-stakes negotiations over the debt limit center on ways to bring government spending more in line with government revenues. The political contours of the debate have excluded cuts to Social Security and Medicare from consideration, as well as the possibility of raising taxes. With these options off the table, much of what is left to consider for budget cuts is a series of programs that provide services and support to low-income individuals and families. **Some congressional policy makers are suggesting that federal spending cuts should come from tightened eligibility and reduced spending on programs whose primary function is to provide health insurance, food purchasing support, and conditional cash assistance to low-income individuals and families with children.** How significantly would cuts to spending on the three programs at the center of the discussion — Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and the Temporary Assistance for Needy Families (TANF) — contribute to an overall reduction in federal government spending? And would the fiscal savings come at a long-term economic cost? **Evidence shows that the type of income assistance provided by these programs to children from low-income families yields long-term economic benefits by improving their health, educational attainment, and economic self-sufficiency into adulthood.**

<u>Food Stamps are historically the first things that the GOP has struck down on</u>

Tami **Luhby 23'**

"House Republicans aren't done slashing food assistance and fighting over social issues" CNN, 31 Jul 2023 https://www.cnn.com/2023/07/31/politics/wic-benefits-cut-culture-war/index.html

<u>After clamping down on food stamps in the debt ceiling deal, House Republicans now want to take a whack at WIC, the food assistance program for low-income women, infants, and young children. GOP lawmakers have proposed curtailing funding for WIC in the chamber's version of the US Department of Agriculture's annual spending bill.</u> The legislation could force some families to wait for aid for the first time in years, as well as limit their ability to buy fresh fruits and vegetables. It's among the party's latest efforts to cut federal spending by limiting benefits.

<u>Impact: Food Stamps are Essential for Americans</u>

Food Research and Action Center

"The Positive Effect of SNAP Benefits on Participants and Communities" https://frac.org/programs/supplemental-nutrition-assistance-program-snap/positive-effect-snap-benefits-participants-communities#:~:text=Economic%20Impacts&text=For%20example%2C%20SNAP%20is%20good,supports%20for%20low%2Dincome%20families.

For struggling families and communities, SNAP is making a huge difference in their economic well-being and health. For example, **<u>SNAP is good for local economies – each dollar in federally funded SNAP benefits generates $1.79 in economic activity. Census Bureau data also show the crucial importance of federal nutrition programs and other supports for low-income families.</u>** When looking at the Census Bureau's Supplemental Poverty Measure, which serves as an indicator of economic well-being, **<u>SNAP lifted 4.6 million people out of poverty in 2015.</u>**

Contention Two: Reverse Effects

Subpoint A → Tuition Inflation

<u>Colleges will charge higher prices to offset the impacts of student loan forgiveness. This makes college less accessible to low-income Americans.</u>

<u>Empirically, student loan forgiveness has led to higher tuition costs.</u>

Neal **McCluskey 22'**

“Canceling Student Debt Could Inflate College Prices? Suddenly, People Don’t Like It”, Cato Institute, 1 Sep 2022, https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it.

This is hard to prove empirically because colleges’ costs are directly tied to the money they spend, so it is plausible their costs rise independently of aid. That said, **many studies have found an inflationary effect, including one from the Federal Reserve Bank of New York that found that for every dollar increase in “subsidized” student loans colleges raised their prices 60 cents.** Frankly, statistical research is not necessary to see this. One need only ask oneself, could colleges charge what they currently do, and have their current enrollment, without the aid that is nearly ubiquitous? Of course not. **The logic and evidence of aid fueling higher prices applies to mass debt cancellation. With the precedent set that debt will be cancelled whenever a president deems it too burdensome, both colleges and students can reasonably expect generous forgiveness in the future. That could encourage schools to raise prices even higher because students will see a good chance they’ll never have to fully repay.**

Biden’s student loan forgiveness plan creates a loophole that allows colleges to charge higher tuition.

Will **Daniel 22’**

“There’s a giant loophole in Biden’s student-debt relief that could make college even more expensive. Here’s how it works”, Fortune, 30 Aug 2022, https://fortune.com/2022/08/30/biden-student-loan-forgiveness-loophole-college-tuition-rise-idr/

But **the program also includes changes to the federal income-driven repayment (IDR) system that could incentivize universities to charge higher tuition.** IDR plans set students’ monthly loan payments based on their post graduation income. Existing plans require borrowers to pay 10% to 20% of their income annually for two decades, after which the remainder of their loan is forgiven. Between 2010 and 2020, the percentage of federal student borrowers enrolled in an IDR program surged from 10% to 32%. **Under the Biden administration’s student loan forgiveness plan, IDR borrowers will now pay just 5% of their income for undergraduate loans and 10% for postgraduate loans for a period of 10 or 20 years, depending on how much is owed. The plan will also increase the amount of income that isn’t subject to the IDR from 150% above the poverty line to 225% and eliminate any accrual of interest under the plans.** The issue here is incentives. The IDR plan makes it so that no matter the loan amount, student borrowers make the same payments—5% or 10% of their post graduation income annually for a period of 10 or 20 years—**thereby incentivizing students to borrow as much money as possible, critics say. This, in turn, incentivizes universities to charge as much as they can because they aren’t worried about borrowers being unable to make their payments.**

Impact: Unaffordable college prices impact low-income students the most.

Jon and Fazil Khan **Marcus 23’**

Khan. “Many colleges raised tuition for low-income students. Why did wealthier peers get more aid?”, USA Today, 27 Mar 2023, https://www.usatoday.com/story/news/education/2023/03/27/colleges-raised-low-income-students-tuition-more/11507903002/#

Lower-income students generally still pay less than higher-income ones. But **the increase in college costs is falling more heavily on families that are likely the least able to absorb it,** as federal and state financial aid fails to keep up with rising prices and **colleges shift institutional aid to wealthier families they know can pay at least a part of the tuition. “Those increases can really make or break a student staying in college,”** said Scott Del Rossi, vice president of college and career success at College Possible, which helps low-income and racial minority students go to and through college. “Do they put it on their credit card? Do they just give up?” Historic trends in net price by income and other information about universities and colleges nationwide are available in The Hechinger Report’s newly updated Tuition Tracker tool. **At 2 out of 3 colleges and universities where the net price increased for both low- and high-income students over the past decade** – that is, the amount paid after discounts and financial aid – **it rose faster for the lowest-income students: about 70% versus 27%, on average, the federal data shows.**

Subpoint B → Encourages Borrowing and the Moral Hazard

Student loan forgiveness creates the expectation that college loans do not have tangible consequences and that students can borrow without long-term impacts. This creates a moral hazard that encourages students to borrow more, worsening problems of high debt like the inability to buy a house and stress on social programs.

Student loan forgiveness, as a one-time policy, sets a dangerous expectation that loans do not have consequences.

Fiona **Greg 21’**

“Who Benefits from Student Debt Cancellation?”, JPMorgan Chase & Co, Mar 2021, https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-ancellation#finding-5.

5. Debt cancellation may create moral hazard problems if people believe there will be future debt cancellations. **If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise**. A policy with a hard income limit may also induce people to adapt to the cut off—the limit could create a marginal incentive to reduce work or to cut reported income in other ways. However, a one-time cancellation based on already filed tax documents could lessen these problems, insofar as the government can convince the public the cancellation is a one-time action. However, **if cancellation is not coupled with some reduction of the ongoing economic pressures that caused the accumulation of debt in the first place, claims of a “one-time” cancellation are less credible, increasing the chance of moral hazard problems. 6. One-time student loan forgiveness addresses the stock of student loan debt today but does nothing to reduce the amount of debt accrued tomorrow.** As noted above, even in the most generous cancellation scenario, student loan debt would total over $900 billion, roughly on par with

2012 levels. **<u>Any economic forces that contributed to the current stock of student debt today, such as increasing tuition costs and increasing enrollment among low-income families, will continue to push tomorrow's students to accumulate debt. Any long-term solution to relieving students is incomplete without addressing these underlying forces.</u>**

<u>Federal loan forgiveness makes taking out loans seem more attractive, even though it's still costly.</u>

Adam, **Looney 23'**

"Biden's Income-Driven Repayment plan would turn student loans into untargeted grants", Brookings Institute, 15 Sep 2022, https://www.brookings.edu/articles/bidens-income-driven-repayment-plan-would-turn-student-loans-into-untargeted-grants/.

In the past it made sense for students to minimize borrowing in most circumstances. As recently as 2017, **<u>CBO projected that student loan borrowers would, on average, repay close to $1.11 per dollar they borrowed</u>** (including interest). **<u>Borrowing was often perceived to be the least favorable way to pay for college. But under the administration's IDR proposal</u>** (and other regulatory changes), **<u>undergraduate borrowers who enroll in the plan might be expected to pay approximately $0.50 for each $1 borrowed—and some can reliably expect to pay zero. As a result, borrowing will be the best way to pay for college. If there's a chance you'll not need to repay all of the loan</u>**—and it's likely that a majority of undergraduate students will be in that boat—**<u>it will be a financial no-brainer to take out the maximum student loan.</u>** Even borrowers who expect to pay the loan will benefit from subsidized interest rates applied when paying less than the full amount. (For example, because IDR is based on the information in your last available tax return, any student who earned less than 225% of the poverty line while enrolled would not have to make payments for the first one or two years after graduation and would thus benefit from an automatic one- or two-year interest-free loan.)

Analysis: **<u>If the US federal government relieves all student debt, there are two case scenarios. First, the US government doesn't pay off loans again and everyone who gets loans believing that they would pay it is in a lot of trouble. The other option is that the US government keeps relieving student loans, which leads to more cost and more political capital lost like in C1.</u>**

Paraphrased NEG

We Negate the resolution Resolved: The United States federal government should forgive all federal student loan debt.

Contention One: Political Capital

Complete federal loan forgiveness is exorbitantly expensive. To pay for it, the government would have to cut funds from other public benefits programs. This would harm poverty-reducing efforts and enforce poverty cycles.

Debt forgiveness is very expensive. Swagel 23’ Based on data from the Department of Education, forgiving all federal loans would cost on the order of $1.6 trillion. Forgiving student debt up to $50,000 per borrower would cost about $1 trillion.

Politicians have put social welfare programs on the chopping block as a way to reduce the federal deficit. Kearney 23’ Congressional policymakers [suggest] that federal spending cuts should come from reduced spending on programs [that] provide health insurance, food purchasing support, and conditional cash assistance to low-income individuals and families. The type of income assistance provided by these programs to children from low-income families yields long-term economic benefits by improving their health, educational attainment, and economic self-sufficiency into adulthood.

Food Stamps are historically the first things that the GOP has struck down on. Luhby 23’ After clamping down on food stamps in the debt ceiling deal, House Republicans now want to take a whack at WIC, the food assistance program for low-income women, infants and young children. GOP lawmakers have proposed curtailing funding for WIC in the chamber’s version of the US Department of Agriculture’s annual spending bill.

Impact: Food Stamps are Essential for Low-Income Americans. The Food Research and Action Center reports that SNAP is good for local economies – each dollar in federally funded SNAP benefits generates $1.79 in economic activity. Census Bureau data also show the crucial importance of federal nutrition programs and other supports for low-income families, [as] SNAP lifted 4.6 million people out of poverty in 2015.

Debt forgiveness is expensive, and increasing debt will force a tradeoff with other important things like food stamps.

Contention Two: Reverse Effects

Subpoint A ⟶ Tuition Inflation

Colleges will charge higher prices to offset the impacts of student loan forgiveness. This makes college less accessible to low-income Americans.

Biden’s student loan forgiveness plan creates a loophole that allows colleges to charge higher tuition. Daniel 22’ says that the program also includes changes that could incentivize universities to charge higher tuition. Under the plan, IDR borrowers will now pay just 5% of their income for undergraduate loans and 10% for postgraduate loans for a period of 10 or 20 years, depending on how much is owed.

The plan will also increase the amount of income that isn't subject to the IDR from 150% above the poverty line to 225% and eliminate any accrual of interest under the plans, thereby incentivizing students to borrow as much money as possible, critics say. This, in turn, incentivizes universities to charge as much as they can because they aren't worried about borrowers being unable to make their payments.

Impact: Unaffordable college prices impact low-income students the most. Marcus '23 explains that the increase in college costs is falling more heavily on families that are likely the least able to absorb it, and colleges shift institutional aid to wealthier families they know can pay at least a part of the tuition. "Those increases can make or break a student staying in college," At 2 out of 3 colleges and universities where the net price increased for both low- and high-income students over the past decade, it rose faster for the lowest-income students: about 70% versus 27%, on average, the federal data shows.

Subpoint B ⟶ Encourages Borrowing and the Moral Hazard

Student loan forgiveness creates the expectation that college loans do not have tangible consequences and that students can borrow without long-term impacts. This creates a moral hazard that encourages students to borrow more, worsening problems of high debt like the inability to buy a house and stress on social programs.

Student loan forgiveness, as a one-time policy, sets a dangerous expectation that loans do not have consequences. Greg 21' If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise. One-time student loan forgiveness does nothing to reduce the amount of debt accrued tomorrow. [Existing] Economic forces will continue to push tomorrow's students to accumulate debt.

Federal loan forgiveness makes taking out loans seem more attractive, even though it's still costly. Looney 23' Borrowing will be the best way to pay for college. If there's a chance you'll not need to repay all of the loan—it will be a financial no-brainer to take out the maximum student loan.

If the US federal government relieves all student debt, there are two case scenarios. First, the US government doesn't pay off loans again and everyone who gets loans believing that they would pay it is in a lot of trouble. The other option is that the US government keeps relieving student loans, which leads to more cost and more political capital lost like in C1.

Thus, we negate.

Blocks to Affirmative (AT AFF)

AT: Debt forgiveness helps people retire.

Answer: Debt forgiveness has no significant impact on helping people retire.

1. **Non-Unique: There is already legislation that has linked student loans and retirement savings** **Werschkul 22'** Of interest to people holding student loans is Section 110 of the bill that treats student loans as deferrals for the purpose of retirement savings. What that means in practice is, beginning in 2024, if the company chooses to provide the benefit, a worker could write a check for their monthly student loan bill, but in the process also earn a "match" for their 401(k), 403(b), or SIMPLE IRA account.
2. **Mitigate: Starting in 2024, employers can contribute towards paying off employee's student loans.** **Corrigan 23'** "When you think about employer-sponsored student loan repayment, that's a very significant budget item," says MacPhetres, who previously spent 13 years as vice president at JPMorgan Chase. "It's something companies have to plan for and then ramp up. But retirement is probably something already built into their benefits package. So, this is a way for employers to enter the student loan space and give some assistance to employees without having to restructure benefits programs."
3. **Most older people with a large amount of student loan debt is because of uninformed cosigning, not the concept of loans themselves** **Bloomenthal 23'** A CFPB report found that 73% obtained or cosigned loans on behalf of a child or a grandchild, while just 27% said they took out loans for themselves or their spouses. Unfortunately, cosigners of loans can find themselves in a difficult situation if the loan recipients fail to honor the agreed-upon payment schedules.
4. **Student loan forgiveness is unfair.** **Dent 22'** Consequently, non-college educated, working taxpayers will help pay the student debts of people who will earn far more than they ever did. Try selling that one to a janitor, construction worker, dishwasher, house cleaner, truck driver, or any other blue-collar worker. Nothing in the Biden order addresses the cost of college education and high tuition.
5. **Alternative: More targeted forgiveness will do more to ensure wealth generation.** **Looney 22'** The best way to use federal postsecondary educational systems to close racial and socioeconomic gaps in income and wealth is through means-tested programs that promote access and completion at high-quality educational institutions. The major cause of lifetime wealth gaps between Black and white households, or between children who grow up in low- versus high-income families, are differences in educational attainment and in the value of those investments, which stem from who goes to college in the first place, what institutions, degrees, and programs they pursue and complete, and how they are treated in the labor market after graduation.

Analysis: These rebuttal cards take several different approaches. The easiest approach argues that existing policies will be enough to allow people to retire by increasing the amount they can save, while the harder approach argues that it isn't fair for the government to rescue people from poor decisions.

Non-Unique: There is already legislation that has linked student loans and retirement savings
Werschkul, Ben. "New law links your student loans with retirement savings." Yahoo Finance, December 27, 2022, https://news.yahoo.com/new-law-links-your-student-loans-with-retirement-savings-162657977.html.
Of interest to people holding student loans is Section 110 of the bill that treats student loans as deferrals for the purpose of retirement savings. What that means in practice is, beginning in 2024, if the company chooses to provide the benefit, a worker could write a check for their monthly student loan bill, but in the process also earn a "match" for their 401(k), 403(b), or SIMPLE IRA account. Proponents of the new law say it will help young people avoid missing out on years of saving and the compound interest that builds up when people start early. A 2019 study from Bankrate found that 29% of college graduates with student loans delayed retirement savings. Another study, from the Employee Benefit Research Institute, found that holding student loan debt is a key factor in how much households were able to save. This idea of allowing simultaneous student loan payments and retirement savings has bounced around Washington for years and has gradually gained bipartisan support. Sen. Ron Wyden of Oregon put forward a bill in 2019 with Republicans like Rep. Fred Keller (R-PA) also championing the effort over the years.

Mitigate: Starting in 2024, employers can contribute towards paying off employee's student loans
Corrigan, John. "Student loan payments can go toward retirement in 2024." HRD, March 2, 2023, https://www.hcamag.com/us/specialization/benefits/student-loan-payments-can-go-toward-retirement-in-2024/438048.
Tuition, required student activity fees, books or anything that is required to enroll in or attend school are considered qualified expenses. The IRS is expected to issue guidance and regulations in the coming months for HR leaders interested in taking advantage of the provision. "When you think about employer-sponsored student loan repayment,that's a very significant budget item," says MacPhetres, who previously spent 13 years as vice president at JPMorgan Chase. "It's something companies have to plan for and then ramp up. But retirement is probably something already built into their benefits package. So, this is a way for employers to enter the student loan space and give some assistance to employees without having to restructure benefits programs."

Warrant: Most older people with a large amount of student loan debt is because of uninformed cosigning, not the concept of loans themselves
Bloomenthal, Andrew. "Heading Into Retirement With Student Loans." Investopedia, March 24, 2023, https://www.investopedia.com/retirement/heading-retirement-student-loans/. Accessed October 8, 2023.
The vast majority of older adults with student loan debt didn't take out the loans for their own higher education. A CFPB report found that 73% obtained or cosigned loans on behalf of a child or a grandchild, while just 27% said they took out loans for themselves or their spouses. Unfortunately, cosigners of loans can find themselves in a difficult situation if the loan recipients fail to honor the agreed-upon payment schedules. By cosigning, they have put themselves on the hook for payments, just as if the loan had been theirs alone. This can become even more difficult during their retirement years when they may be living on a fixed income.

Warrant: Student loan forgiveness is unfair
Dent, Charlie. "Opinion: Biden's student loan forgiveness is unfair and unwise." CNN, August 26, 2022, https://www.cnn.com/2022/08/26/opinions/biden-student-loan-forgiveness-unfair-dent/index.html .
Transferring the obligations of people who incurred student loan debts to millions of working taxpayers whose own debts or loans were never forgiven is not only unfair but politically perilous. What's more, college graduates have much greater earning potential than those who never went to college. Consequently, non-college educated, working taxpayers will help pay the student debts of people who will earn far more than they ever did. Try selling that one to a janitor, construction worker, dishwasher, house cleaner, truck driver, or any other blue-collar worker. Nothing in the Biden order addresses the cost of college education and high tuition. What incentive will schools have to lower costs if they believe more debt relief is in the offing? Further, this executive action will incentivize students to take on more student loans if there is a reasonable chance for more debt forgiveness in the future.

Alternative: More targeted forgiveness will do more to ensure wealth generation
Looney, Adam. "Student Loan Forgiveness is Regressive Whether Measured by Income, Education, or Wealth." Hutchins Center, January 2022, https://www.brookings.edu/wp-content/uploads/2022/01/WP75-Looney_updated_1.pdf.
The best way to use federal postsecondary educational systems to close racial and socioeconomic gaps in income and wealth is through means-tested programs that promote access and completion at high-quality educational institutions. The major cause of lifetime wealth gaps between Black and white households, or between children who grow up in low- versus high-income families, are differences in educational attainment and in the value of those investments, which stem from who goes to college in the first place, what institutions, degrees, and programs they pursue and complete, and how they are treated in the labor market after graduation. Black students are underrepresented at all levels of higher education, less likely to complete a degree, vastly more likely to attend low-quality, high-cost institutions like for-profit schools, and, most of all, face discrimination in the labor market. Not all of those problems can be solved by changes in postsecondary aid, but some can.

AT: Debt forgiveness leads to racial equity.

Answer: Debt forgiveness leads to inequality in other areas.

1. **Student loan debt is skewed heavily towards people with higher incomes [Baum 20’]()**
   The highest-income 40 percent of households (those with incomes above $74,000) owe almost 60 percent of the outstanding education debt and make almost three-quarters of the payments. The lowest-income 40 percent of households hold just under 20 percent of the outstanding debt and make only 10 percent of the payments. As a result, out-of-pocket loan payments are concentrated among high-income households; few low-income households enrolled in IDR are required to make payments. Likewise, education debt is concentrated in households with high levels of educational attainment.
2. **Its simply not worth it. House 22’** In the end, the Administration's student debt cancellation proposal is costly, inflationary, will drive up higher education costs, and will deliver the majority of the benefits to those in the top half of the income spectrum.
3. **Turn → Student loan forgiveness disproportionately helps high-income households** Sylvain 20’ Under a universal loan forgiveness policy, in present value terms, the average individual in the top earnings decile would receive $6,021 in forgiveness, compared to $1,085 for those in the bottom earnings decile, the paper stated. In fact, households in the top 30% of the earnings distribution receive almost half of all dollars forgiven. According to Catherine, student loan balances are not the right measure to look at. “Instead, we compute present values based on what people are actually repaying, which depends very much on their earnings,” he said.
4. **Turn → Forgiving student loans would be a handout to the elite segment of society** Looney 19’ This analysis shows that low-income borrowers save about $569 in annual payments under the proposal, compared to $900 in the top 10 percent and $2,653 in the 80th to 90th percentiles. Examining the distribution of benefits, top-quintile households receive about 27 percent of all annual savings, and the top 40 percent about 66 percent. The bottom 20 percent of borrowers by income get 4 percent of the savings.
5. **Turn→ The cost of forgiveness would result in tax increases and new debt Konish 22’**
   The average burden per U.S. taxpayer will be $2,503.22, according to new estimates from the National Taxpayers Union based on the specifics of Biden’s plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden’s student loan forgiveness plan will incur more debt for the government.

6. **Impact: Increased debt kills economic growth** [**Salmon 21’**](https://www.cato.org/cato-journal/fall-2021/impact-public-debt-economic-growth) The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which debt has a significant deleterious impact on growth rates. A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth. The empirical evidence for a nonlinear debt- growth threshold suggests that, while such thresholds might exist, there may not be a common threshold level and they may be largely dependent upon other factors such as a country’s level of development and the quality of its institutions. The findings of the survey analysis offer some valuable lessons for those interested in the debt-growth nexus.

Analysis: This rebuttal argues that even if student loan forgiveness would help reduce racial equality, it would have no impact on class equality and may actually grow resentment between people of different classes. This rebuttal should be coupled with an analysis of why class equality is important.

Warrant: Student loan debt is skewed heavily towards people with higher incomes
Baum, Sandy and Adam Looney. “Who owes the most in student loans: New data from the Fed.” Brookings, October 9, 2020,
https://www.brookings.edu/articles/who-owes-the-most-in-student-loans-new-data-from-the-fed/.
The highest-income 40 percent of households (those with incomes above $74,000) owe almost 60 percent of the outstanding education debt and make almost three-quarters of the payments. The lowest-income 40 percent of households hold just under 20 percent of the outstanding debt and make only 10 percent of the payments. It should be no surprise that higher-income households owe more student debt than others. Students from higher-income households are more likely to go to college in the first place. And workers with a college or graduate degree earn substantially more in the labor market than those who never went to college. What may be more surprising, however, is the difference in payment burdens. A growing share of borrowers participate in income- driven repayment (IDR) plans, which do not require any payments from those whose incomes are too low and limit payments to an affordable share of income for others. And some borrowers are in forbearance or deferment because of financial hardships. As a result, out-of-pocket loan payments are concentrated among high-income households; few low-income households enrolled in IDR are required to make payments. Likewise, education debt is concentrated in households with high levels of educational attainment.

Turn: Student loan forgiveness disproportionately helps high-income households
Catherine, Sylvain. “How Student Loan Forgiveness Could Increase Inequality.” Knowledge at Wharton, December 15, 2020,
https://knowledge.wharton.upenn.edu/podcast/knowledge-at-wharton-podcast/how-student-loan-forgiveness-could-increase-inequality/.
Under a universal loan forgiveness policy, in present value terms, the average individual in the top earnings decile would receive $6,021 in forgiveness, compared to $1,085 for those in the bottom earnings decile, the paper stated. In fact, households in the top 30% of the earnings distribution receive almost half of all dollars forgiven. The patterns are similar under policies forgiving debt up to $10,000 or $50,000, with higher-income households seeing significantly more loan forgiveness, the researchers write. The benefits of student loan forgiveness are unevenly distributed also by race and ethnicity, Catherine and Yannelis found. The average loan balances are the highest among blacks at $10,630, while those for whites are $6,157, and for Hispanics and others they are $3,996. After adjusting for the present value of those loans, universal loan forgiveness would lead to roughly equal average benefits for whites and blacks, but would yield significantly lower average benefits for Hispanics and other groups, the researchers noted. According to Catherine, student loan balances are not the right measure to look at. “Instead, we compute present values based on what people are actually repaying, which depends very much on their earnings,” he said.

Turn: Forgiving student loans would be a handout to the elite segment of society
Looney, Adam. “How progressive is Senator Elizabeth Warren’s loan forgiveness proposal?” Brookings, April 24, 2019, https://www.brookings.edu/articles/how-progressive-is-senator-elizabeth-warrens-loan-forgiveness-proposal/.
.To assess how progressive the policy is, the fourth column of statistics asks how much of the total loan forgiveness accrues to borrowers in each income group. Almost a third of all debt relief accrues to borrowers in the fourth quintile. Borrowers in the top 20 percent get about 18 percent of the relief, almost double the amount received by the bottom 20 percent. Measured by its effects on annual debt service payments, the policy is even more regressive. This analysis shows that low-income borrowers save about $569 in annual payments under the proposal, compared to $900 in the top 10 percent and $2,653 in the 80th to 90th percentiles. Examining the distribution of benefits, top- quintile households receive about 27 percent of all annual savings, and the top 40 percent about 66 percent. The bottom 20 percent of borrowers by income get 4 percent of the savings,

Turn: The cost of forgiveness would result in tax increases and new debt
Konish, Lorie. “Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds.” CNBC, September 2, 2022,
https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html .
Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden’s new plan. However, critics say taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars. That could result in an average burden of $2,500 per taxpayer, according to calculations from the National Taxpayers Union, a fiscally conservative advocacy group. “There’s a transfer of wealth from the society at large to people who borrowed to go to college right now,” said Andrew Lautz, director of federal policy at the National Taxpayers Union. “That has consequences for consumers,” Lautz said. “It has consequences for taxpayers.” The average burden per U.S. taxpayer will be $2,503.22, according to new estimates from the National Taxpayers Union based on the specifics of Biden’s plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden’s student loan forgiveness plan will incur more debt for the government. The estimated cost per taxpayer is based on the assumption that policymakers would need to make up for the total tally of the forgiveness through tax increases, spending cuts, borrowing or a combination of those strategies. The National Taxpayers Union’s calculation is based on a total cost of debt cancellation of more than $400 billion divided by the total number of U.S. taxpayers, 158 million.

Impact: Increased debt kills economic growth
Salmon, Jack. “The Impact of Public Debt on Economic Growth.” Cato Journal, Fall 2021,
https://www.cato.org/cato-journal/fall-2021/impact-public-debt-economic-growth .
The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which debt has a significant deleterious impact on growth rates. A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth. The empirical evidence for a nonlinear debt- growth threshold suggests that, while such thresholds might exist, there may not be a common threshold level and they may be largely dependent upon other factors such as a country’s level of development and the quality of its institutions. The findings of the survey analysis offer some valuable lessons for those interested in the debt-growth nexus.

AT: Debt forgiveness boosts economic activity.

Answer: Student loan forgiveness carries significant unstated costs.

1. **Student loan forgiveness increases inflation.** Smith 22' The Committee for a Responsible Federal Budget (CRFB), a nonprofit public policy organization, estimates that $10,000 of debt cancellation for borrowers making under $300,000 could add up to 15 basis points (0.15%) to the inflation rate "and create additional inflationary pressure over time."
2. **Student loan forgiveness would cost over $1 trillion.** Looney 21' In terms of its scale in budget and cost to taxpayers, widespread student loan forgiveness would rank among the largest transfer programs in American history. Based on data from the Department of Education, forgiving all federal loans (as Senator Bernie Sanders proposed) would cost on the order of $1.6 trillion. Forgiving student debt up to $50,000 per borrower (as Senators Elizabeth Warren and Chuck Schumer have proposed) would cost about $1 trillion. Limiting loan forgiveness to $10,000, as President Biden has proposed, would cost about $373 billion. Forgiving all student debt would be a transfer larger than the amounts the nation has spent over the past 20 years on unemployment insurance, larger than the amount it has spent on the Earned Income Tax Credit, and larger than the amount it has spent on food stamps.
3. **Student loan forgiveness would cause the Federal Reserve to raise interest rates** George 22' To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future. The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation proposal.
4. **Turn→ The cost of forgiveness would result in tax increases and new debt** Konish 22' Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden's new plan. However, critics say taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars. That could result in an average burden of $2,500 per taxpayer, according to calculations from the National Taxpayers Union, a fiscally conservative advocacy group. "There's a transfer of wealth from the society at large to people who borrowed to go to college right now,"
5. **Impact→ Increased debt kills economic growth.** Salmon 21' The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which

debt has a significant deleterious impact on growth rates. A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth.

Analysis: This response is a straight turn arguing that there would be unintended side effects leading to, at best, no change in the country's economy. The worst case scenario would be an active decrease in the country's economy as a result of student loan forgiveness.

Warrant: Student loan forgiveness increases inflation
Smith, Kelly. "Will Student Loan Forgiveness Make Inflation Worse?" Forbes, August 25 2022,
https://www.forbes.com/advisor/personal-finance/student-loan-forgiveness-inflation/ .
Americans collectively hold $1.75 trillion in student loan debt. In theory, less student debt to repay frees up cash that consumers could spend. This could increase demand and cause prices to jump. But economists remain divided over how much Biden's plan will cause inflation to spike. The few available estimates on Biden's loan forgiveness program's impact on inflation show a small impact, percentage-point wise, in the immediate future. The Committee for a Responsible Federal Budget (CRFB), a nonprofit public policy organization, estimates that $10,000 of debt cancellation for borrowers making under $300,000 could add up to 15 basis points (0.15%) to the inflation rate "and create additional inflationary pressure over time."

Warrant: Student loan forgiveness would cost over $1 trillion
Looney, Adam. "Putting student loan forgiveness in perspective: How costly is it and who benefits?" Brookings, February 12, 2021.
https://www.brookings.edu/articles/putting-student-loan-forgiveness-in-perspective-how-costly-is-it-and-who-benefits/.
In terms of its scale in budget and cost to taxpayers, widespread student loan forgiveness would rank among the largest transfer programs in American history. Based on data from the Department of Education, forgiving all federal loans (as Senator Bernie Sanders proposed) would cost on the order of $1.6 trillion. Forgiving student debt up to $50,000 per borrower (as Senators Elizabeth Warren and Chuck Schumer have proposed) would cost about $1 trillion. Limiting loan forgiveness to $10,000, as President Biden has proposed, would cost about $373 billion. Under each of these proposals, all 43 million borrowers would stand to benefit to differing degrees. To put those numbers in perspective, the chart below compares the cost of these three one- time student loan forgiveness proposals against cumulative spending on several of the country's largest transfer programs over the last twenty years (from 2000 to 2019, adjusted for inflation). Forgiving all student debt would be a transfer larger than the amounts the nation has spent over the past 20 years on unemployment insurance, larger than the amount it has spent on the Earned Income Tax Credit, and larger than the amount it has spent on food stamps. In 2020, about 43 million Americans relied on food stamps to feed their families. To be eligible, a household of three typically must earn less than $28,200 a year. The EITC, the nation's largest antipoverty program, benefitted about 26 million working families in 2018. That year, the credit lifted almost 11 million Americans out of poverty, including about 6 million children, and reduced poverty for another 18 million individuals.

Student loan forgiveness would cause the Federal Reserve to raise interest rates
George, Aubrey and Thomas Lubik. "Student Debt Cancellation Raises the Price Level and Inflation." Federal Reserve Bank of Richmond, October 11, 2022,
https://www.richmondfed.org/research/national_economy/macro_minute/2022/mm_10_11_22 .
In addition, at the time of this writing, there are legal challenges proceeding that may prevent debt forgiveness from being implemented at all. There could also be some stimulating impact, as the debt cancellation could free up borrowers' cash flow, and the additional spending may create more tax revenue. However, at the same time, this is also likely to be inflationary. Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates. To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future. The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation Proposal.

Turn: The cost of forgiveness would result in tax increases and new debt
Konish, Lorie. "Student loan forgiveness could result in a $2,500 burden per taxpayer, research finds." CNBC, September 2, 2022,
https://www.cnbc.com/2022/09/02/student-loan-forgiveness-could-cost-2500-per-taxpayer-research-finds.html.
Federal student loan borrowers could get up to $10,000 in debt relief — or $20,000 if they have Pell Grants — under President Joe Biden's new plan. However, critics say taxpayers will ultimately pick up the tab, which estimates peg at hundreds of billions of dollars. That could result in an average burden of $2,500 per taxpayer, according to calculations from the National Taxpayers Union, a fiscally conservative advocacy group. "There's a transfer of wealth from the society at large to people who borrowed to go to college right now," said Andrew Lautz, director of federal policy at the National Taxpayers Union. "That has consequences for consumers," Lautz said. "It has consequences for taxpayers." The average burden per U.S. taxpayer will be $2,503.22, according to new estimates from the National Taxpayers Union based on the specifics of Biden's plan. The federal student loan debt forgiveness applies to individuals with less than $125,000 in income and couples with less than $250,000. This does not mean taxpayers will immediately face $2,500 in higher taxes. But the $400 billion-plus cost of Biden's student loan forgiveness plan will incur more debt for the government.

Impact: Increased debt kills economic growth
Salmon, Jack. "The Impact of Public Debt on Economic Growth." Cato Journal, Fall 2021,
https://www.cato.org/cato-journal/fall-2021/impact-public-debt-economic-growth.
The survey explores 40 studies from the existing economic literature published during the period 2010 to 2020 on the relationship between public debt levels and economic growth. In addition, the survey analysis reviews the claim that there is a nonlinear debt threshold, above which debt has a significant deleterious impact on growth rates. A notable pattern emerges from existing research published since the GFC, pointing toward a broadly well-founded conclusion that high levels of public debt have a negative impact on economic growth. The empirical evidence for a nonlinear debt- growth threshold suggests that, while such thresholds might exist, there may not be a common threshold level and they may be largely dependent upon other factors such as a country's level of development and the quality of its institutions. The findings of the survey analysis offer some valuable lessons for those interested in the debt-growth nexus.

AT: Debt forgiveness has an intergenerational impact.

Answer: Debt forgiveness is a political liability that hurts Biden's re-election chances.

1. **Student loan forgiveness is an extremely polarizing policy** Levy 22' About half of Americans, 49%, think the US government is doing too little to address student loan debt, according to a CNN Poll conducted by SSRS in late April and May, with 24% saying that the government is doing too much, and the remainder that the current approach is about right. For comparison, 81% say the government is taking too little action on inflation.
2. **Over two-thirds of Americans opposed loan forgiveness when considering trade-offs** Ekins 22' Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may.
3. **A growing number of Democratic voters believe the party is moving too far to the left** Phillips 23' A Morning Consult poll conducted between August 29 and September 1 and released Monday found, by a nine-point margin, that voters believe the Democrats are more ideologically extreme than Republicans. Analysis of the results of the survey by the pollsters said the trend was being "largely driven by worsening perceptions among its own voter base."
4. **Biden and Trump are locked in a dead heat for 2024** Loffman 23' Biden has the support of 53 percent of non-white voters in the latest PBS NewsHour/NPR/Marist poll, which is 20 points behind his performance in the 2020 election, according to AP VoteCast, a survey of more than 100,000 voters. Meanwhile, Trump has support of 49 percent of white voters, 6 points less than he did in the 2020 election. Voters under the age of 45 were also critical to Biden's 2020 win. He led Trump by 17 points with this group in the last election, according to AP VoteCast data. But in the latest PBS NewsHour/NPR/Marist poll, Trump now leads Biden with 50 percent of young voters compared to 47 percent for Biden, a 3-point difference that is within the poll's margin of error.
5. **Impact: A second Trump presidency would be disastrous for America** Taylor 23' "The damage Trump did in the first term is reparable," said former national security advisor John Bolton, but he said the next Trump "would do damage that is not reparable, especially in a White House surrounded by fifth-raters." Intelligence agencies and the military are of particular concern. "The MAGA movement has paved the way for a

politicized intelligence community," explained Fiona Hill, a former advisor on Trump's National Security Council (NSC). She worries that having ideologues run such agencies "will lead the United States into wars" – wars that America might not be prepared to win.

Analysis: This response could be used against a variety of arguments and essentially argues that student loan forgiveness would be a political liability for the Biden administration, risking a loss in the 2024 election. Students could pair this with evidence about Biden's support among older people for a stronger argument.

Warrant: Student loan forgiveness is an extremely polarizing policy
Edwards-Levy, Ariel. "Student loan forgiveness divides Americans more by party and age than by education." CNN, May 28, 2022, https://www.cnn.com/2022/05/28/politics/student-loan-forgiveness-polling/index.html.
About half of Americans, 49%, think the US government is doing too little to address student loan debt, according to a CNN Poll conducted by SSRS in late April and May, with 24% saying that the government is doing too much, and the remainder that the current approach is about right. For comparison, 81% say the government is taking too little action on inflation. A majority of Democrats (56%) – and an even wider majority of self-described liberals (69%) – say the government is doing too little on student loan debt, according to the CNN poll, while only a third of Republicans and self-described conservatives alike say the same. Seventy percent of adults younger than 35 say the government is doing too little, a figure that drops to 50% among those in the 35-49 age bracket, and 35% among those age 50 or older.

Warrant: Over two-thirds of Americans opposed loan forgiveness when considering trade-offs
Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." Cato Institute, September 1, 2022, https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it .
Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may. About three-fourths of Americans would oppose student debt cancellation if it caused universities to raise their tuition and fees (76%) or if it caused more employers to require college degrees even if not needed to do the job (71%), also known as "credential inflation."

Warrant: A growing number of Democratic voters believe the party is moving too far to the left
Phillips, Aleks. "Five Polls That Show Joe Biden's Chances of Re-Election Are in Jeopardy." Newsweek, September 26, 2023, https://www.newsweek.com/joe-biden-five-polls-reelection-chances-1829929.
A Morning Consult poll conducted between August 29 and September 1 and released Monday found, by a nine-point margin, that voters believe the Democrats are more ideologically extreme than Republicans. Analysis of the results of the survey by the pollsters said the trend was being "largely driven by worsening perceptions among its own voter base." "President Biden entered office pledging to go big on government in the vein of Franklin Delano Roosevelt, and while some of his most ambitious plans such as Build Back Better were ultimately pared down, Democrats have still spent a ton of money to provide new benefits for Americans," Cameron Easley, a Morning Consult political analyst, previously told Newsweek. "So, some of this may well just be a case of voters believing what Democrats are telling them." He suggested that Biden was likely one of the main reasons the Democrats were being viewed as having stagnated more since 2020 than any other party

Warrant: Biden and Trump are locked in a dead heat for 2024
Loffman, Matt. "These new poll numbers show why Biden and Trump are stuck in a 2024 dead heat." PBS News Hour, October 4, 2023, https://www.pbs.org/newshour/politics/these-new-poll-numbers-show-why-biden-and-trump-are-stuck-in-a-2024-dead-heat .
The president is significantly underperforming with non-white voters, who were key to his 2020 victory. Biden has the support of 53 percent of non-white voters in the latest PBS NewsHour/NPR/Marist poll, which is 20 points behind his performance in the 2020 election, according to AP VoteCast, a survey of more than 100,000 voters. Meanwhile, Trump has support of 49 percent of white voters, 6 points less than he did in the 2020 election. Voters under the age of 45 were also critical to Biden's 2020 win. He led Trump by 17 points with this group in the last election, according to AP VoteCast data. But in the latest PBS NewsHour/NPR/Marist poll, Trump now leads Biden with 50 percent of young voters compared to 47 percent for Biden, a 3-point difference that is within the poll's margin of error. "That's scary and concerning," Shakir said. "If you're Joe Biden, if you're any Democrat running for office, you've got to pull in a healthy amount of people who are young. And if you're not, that should be of concern to you."

Impact: A second Trump presidency would be disastrous for America
Taylor, Miles. "Another Trump Presidency Would be Even Worse Than You Think." Time, July 12, 2023, https://time.com/6294052/new-trump-presidency-would-be-even-worse/ .
First, ex-officials I spoke with warn that the executive branch will be weaponized by another MAGA president in previously unreported ways. "The damage Trump did in the first term is reparable," said former national security advisor John Bolton, but he said the next Trump "would do damage that is not reparable, especially in a White House surrounded by fifth-raters." Intelligence agencies and the military are of particular concern. "The MAGA movement has paved the way for a politicized intelligence community," explained Fiona Hill, a former advisor on Trump's National Security Council (NSC). She worries that having ideologues run such agencies "will lead the United States into wars" – wars that America might not be prepared to win. Trump's former defense secretary Mark Esper added that his "biggest concern would be withdrawing troops from key places abroad" and "abandoning alliances," projecting the next Trump could leave America vulnerable to attack. Other defense leaders worry about military forces being brought home for the wrong reasons.

AT: Debt forgiveness increases college attendance.

Student loan forgiveness hurts college attendance by increasing tuition costs.

Sheehy '13 reports,

1. **Many undergraduates do not use their student loans wisely, leading to bankruptcy.** → "The University of Oregon estimates the total cost for undergraduates living off campus at nearly $24,000 for the 2013-2014 school year. Less than $10,000 of that goes to tuition, leaving students with refund checks of roughly $14,000 each year. While these refunds are intended to go toward educational expenses and living expenses – food, rent and utilities – no one monitors how students spend this money."

Safier '20 reports,

2. **1 in 5 undergrads spend their student loan money on spring break trips.** → "22% of borrowers said they'd taken out more loans than they needed to fund their trips. Men were more likely to do so, with 34% planning to spend loan money on spring break, versus 21% of women. Another 41% of students of either gender said that although they hadn't used student loan money on spring break, they had considered doing so."

Darolia '15 reports,

3. **Turn: Debt forgiveness opens the door for opportunists.** → "In the past, debtors could clear their student loan debt in bankruptcy by surrendering their assets. However, new college graduates often own few assets to give up, even though they have high expected future incomes. As a result, the concern is that opportunists could game the system by running up large debts that they never plan to repay because they can declare bankruptcy on the eve of starting lucrative careers. Without restrictions to guard against this moral hazard, lawmakers argued that student loans would be ripe for fraud, i.e., too easily discharged in bankruptcy. This could ultimately reduce the availability of educational credit and possibly even destroy student loan programs."

NBER '16 reports,

4. **Turn: Student loan reforms have caused tuition increases in the past. →** "Changes in underlying costs, reforms to the Federal Student Loan Program (FSLP), and changes in the college earnings premium have caused tuition to increase. All these changes combined generate a 106% rise in net tuition between 1987 and 2010, which more than accounts for the 78% increase seen in the data. Changes in the FSLP alone generate a 102% tuition increase, and changes in the college premium generate a 24% increase."

Hall '15 reports,

5. **Turn: Tuition increases are an inevitable result of student loan forgiveness.** → "This is precisely what we've observed with current education subsidies. As these subsidies increased demand for education, they pushed the price upward. In essence, loan forgiveness would be one giant subsidy, creating perverse incentives for both schools and students. If schools knew the government would forgive the cost of their students' education, they'd face no incentive to cut costs to keep tuitions down. If students knew their loans would disappear, why wouldn't they attend more expensive private schools rather than cheaper state schools?"

Analysis: This argument combines several disparate ideas for a strong response. First it says that students do not always use their loans for education and that if debt forgiveness was offered it would be exploited by those students and opportunists. It then says that other, smaller reforms had led to tuition increases in the past.

Warrant: Many undergraduates do not use their student loans wisely, leading to bankruptcy
Sheehy, Kelsey. "Undergrads Blow It With Student Loan Refunds." US News, July 24, 2013,
https://www.usnews.com/education/best-colleges/paying-for-college/articles/2013/07/24/undergrads-blow-it-with-student-loan-refunds
This often allows students to take out federal student loans to cover the full cost of attendance, including housing, personal and living expenses. The University of Oregon estimates the total cost for undergraduates living off campus at nearly $24,000 for the 2013-2014 school year. Less than $10,000 of that goes to tuition, leaving students with refund checks of roughly $14,000 each year. While these refunds are intended to go toward educational expenses and living expenses – food, rent and utilities – no one monitors how students spend this money. Christina Mascaro and her husband Justin Krudop maxed out their student loans in order to pay bills such as car loans and credit card bills. "He was coming out of the Army, I was coming out of a divorce, and we desperately needed those funds," Mascaro said via email, adding that at the time the two were not married, living separately and each making about $8 to $10 per hour.

Warrant: 1 in 5 undergrads spend their student loan money on spring break trips
Safier, Rebecca. "1 in 5 College Students Pay for Spring Break With Student Loans: Survey." LendingTree, March 11, 2020,
https://www.lendingtree.com/student/spring-break-student-loans-survey/
Along with credit cards, student loan borrowers have also relied on student loan money to pay for spring break costs. In fact, 22% of borrowers said they'd taken out more loans than they needed to fund their trips. Men were more likely to do so, with 34% planning to spend loan money on spring break, versus 21% of women. Another 41% of students of either gender said that although they hadn't used student loan money on spring break, they had considered doing so. On average, these borrowers said they had previously shelled out about $1,200 of their student loan money on spring break. Among those who planned to use student loan money on their upcoming break, 69% said they would use at least some of it to buy food, 44% said they would buy plane tickets, and 43% cited entertainment. Hotel rooms or Airbnbs, shopping and alcohol or drugs were also big spending categories, with 42%, 34% and 22% using their loan money to cover those expenses, respectively.

Turn: Debt forgiveness opens the door for opportunists
Darolia, Rajeev. "Should student loans be dischargeable in bankruptcy?" Brookings, September 29, 2015
https://www.brookings.edu/articles/should-student-loans-be-dischargeable-in-bankruptcy/

Why are student loans treated differently in bankruptcy? In the past, debtors could clear their student loan debt in bankruptcy by surrendering their assets. However, new college graduates often own few assets to give up, even though they have high expected future incomes. As a result, the concern is that opportunists could game the system by running up large debts that they never plan to repay because they can declare bankruptcy on the eve of starting lucrative careers. Without restrictions to guard against this moral hazard, lawmakers argued that student loans would be ripe for fraud, i.e., too easily discharged in bankruptcy. This could ultimately reduce the availability of educational credit and possibly even destroy student loan programs. The unique nature of student loans complicates actions that guard against this behavior. Borrowers don't place collateral against their educational debt and the interest rates that borrowers are charged often either do not fully reflect their default risk or are not risk-priced at all.

Turn: Student loan reforms have caused tuition increases in the past.
Gordon, Grey and Aaron Hedlund. "Accounting for the Rise in College Tuition." NBER, February 2016,
https://www.nber.org/papers/w21967/
We develop a quantitative model of higher education to test explanations for the steep rise in college tuition between 1987 and 2010. The framework extends the quality-maximizing college paradigm of Epple, Romano, Sarpca, and Sieg (2013) and embeds it in an incomplete markets, life-cycle environment. We measure how much changes in underlying costs, reforms to the Federal Student Loan Program (FSLP), and changes in the college earnings premium have caused tuition to increase. All these changes combined generate a 106% rise in net tuition between 1987 and 2010, which more than accounts for the 78% increase seen in the data. Changes in the FSLP alone generate a 102% tuition increase, and changes in the college premium generate a 24% increase. Our findings cast doubt on Baumol's cost disease as a driver of higher tuition.

Turn: Tuition increases are an inevitable result of student loan forgiveness
Hall, Abigail. "Don't Forgive Us Our Debts: The Case Against Student Loan Forgiveness." Inside Sources, April 14, 2015,
https://insidesources.com/dont-forgive-us-debts-case-student-loan-forgiveness/
Some suggest that eliminating student debt would yield other benefits, such as allowing more people to go to college. But loan forgiveness would affect only those who already have a college education; it would be of no assistance to those who haven't yet gone to school – unless the government guarantees that future loans will be forgiven as well. That guarantee, however, would have many bad consequences. For example, it would likely increase college tuitions. In fact, this is precisely what we've observed with current education subsidies. As these subsidies increased demand for education, they pushed the price upward. In essence, loan forgiveness would be one giant subsidy, creating perverse incentives for both schools and students. If schools knew the government would forgive the cost of their students' education, they'd face no incentive to cut costs to keep tuitions down. If students knew their loans would disappear, why wouldn't they attend more expensive private schools rather than cheaper state schools? By forgiving loans, the government would encourage students to undertake education that may be a poor investment because they would not face the consequences of their choices. Who would pay for all this? The taxpayers.

AT: Debt forgiveness enables higher education.

Turn→ Student debt forgiveness will hamper higher education by raising the long-term cost of college.

1. **Tuition subsidies increase the cost of college** [**McCluskey 22'**](https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it) the Federal Reserve Bank of New York that found that for every dollar increase in "subsidized" student loans colleges raised their prices 60 cents. Frankly, statistical research is not necessary to see this. One need only ask oneself, could colleges charge what they currently do, and have their current enrollment, without the aid that is nearly ubiquitous? Of course not. The logic and evidence of aid fueling higher prices applies to mass debt cancellation.
2. **Federal assistance will create unnecessary enrollment** **McCluskey 22'** Another major problem with federal aid is that it has artificially pushed enrollment, driving a credential glut that has made having a bachelor's degree increasingly necessary to get jobs that previously did not require one. Researchers with the Harvard Business School have found some gigantic gaps between the share of want ads calling for degrees and the share of people currently in the positions holding them.
3. **Colleges can price in loan forgiveness** **Young 22'** A longer-term problem is that student loan cancelation will raise the cost of college. As it is now, many families are willing to save and sacrifice for years to pay for their children's educations. Loan forgiveness will not change this. Parents will continue to do everything they can to send their kids to college, and universities know this. With a $10,000 subsidy, colleges can charge $10,000 more for a bachelor's degree.
4. **The higher cost of education will not be passed on to students in the form of benefits** **Young 22'** Much of the new money will never reach the classroom. Since 2003, for example, Yale's administrative staff has grown by 1,500 people, or nearly 45 percent. The student body grew by 600, or about 9 percent. Other funds get spent on sports facilities, aquatics centers, and lavish dormitories that look great in brochures, but that students and families might not be willing to pay for if they were aware of their true costs.

Analysis: This response is good because it allows teams to connect to multiple possible impacts. Not only is further action in the Arctic unnecessary, but it may carry negative consequences related to the climate and war as well.

Warrant: Tuition subsidies increase the cost of college
McCluskey, Neal. "Canceling Student Debt Could Inflate College Prices? Suddenly, People Don't Like It." CATO, September 2022,
https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it
This is hard to prove empirically because colleges' costs are directly tied to the money they spend, so it is plausible their costs rise independently of aid. That said, many studies have found an inflationary effect, including one from the Federal Reserve Bank of New York that found that for every dollar increase in "subsidized" student loans colleges raised their prices 60 cents. Frankly, statistical research is not necessary to see this. One need only ask oneself, could colleges charge what they currently do, and have their current enrollment, without the aid that is nearly ubiquitous? Of course not. The logic and evidence of aid fueling higher prices applies to mass debt cancellation. With the precedent set that debt will be cancelled whenever a president deems it too burdensome, both colleges and students can reasonably expect generous forgiveness in the future. That could encourage schools to raise prices even higher because students will see a good chance they'll never have to fully repay.

Warrant: Federal assistance will create unnecessary enrollment
McCluskey, Neal. "Canceling Student Debt Could Inflate College Prices? Suddenly, People Don't Like It." CATO, September 2022,
https://www.cato.org/blog/cancelling-student-debt-would-inflate-college-prices-suddenly-people-dont-it
Another major problem with federal aid is that it has artificially pushed enrollment, driving a credential glut that has made having a bachelor's degree increasingly necessary to get jobs that previously did not require one. Researchers with the Harvard Business School have found some gigantic gaps between the share of want ads calling for degrees and the share of people currently in the positions holding them, including a shocking 67 percent of job postings for supervisors of production workers calling for a bachelor's but only 16 percent of current occupants possessing one.

Warrant: Colleges can price in loan forgiveness
Young, Ryan. "Student Loan Forgiveness Is Regressive, Will Increase Tuition." Competitive Enterprise Institute. August 2022,
https://cei.org/blog/student-loan-forgiveness-is-regressive-will-increase-tuition/
A longer-term problem is that student loan cancelation will raise the cost of college. As it is now, many families are willing to save and sacrifice for years to pay for their children's educations. Loan forgiveness will not change this. Parents will continue to do everything they can to send their kids to college, and universities know this. With a $10,000 subsidy, colleges can charge $10,000 more for a bachelor's degree. They will just tell families they can take out a larger loan, which will later be forgiven. For other types of subsidies, they can tell families they are offering a $10,000 discount from an artificially high sticker price. Families will still pay the same amount they do now while thinking they are getting a discount. Taxpayers will give universities the extra $10,000 behind the scenes, in this case through paying for loans.

Warrant: The higher cost of education will not be passed on to students in the form of benefits
Young, Ryan. "Student Loan Forgiveness Is Regressive, Will Increase Tuition." Competitive Enterprise Institute. August 2022, https://cei.org/blog/student-loan-forgiveness-is-regressive-will-increase-tuition/
Much of the new money will never reach the classroom. Since 2003, for example, Yale's administrative staff has grown by 1,500 people, or nearly 45 percent. The student body grew by 600, or about 9 percent. Other funds get spent on sports facilities, aquatics centers, and lavish dormitories that look great in brochures, but that students and families might not be willing to pay for if they were aware of their true costs. This dynamic has already been happening for years with existing lending and financial aid programs. Subsidies are a major reason why college tuition has been increasing faster than inflation for decades. Runaway college costs are an unintended consequence of subsidies, but not an unforeseeable one.

AT: Debt forgiveness generates political capital.

Turn→ Debt forgiveness is intensely unpopular. Therefore, it will sap political capital.

1. **Americans do not want to pay for debt forgiveness** **Ekins 22'** support for cancelling federal student loan debt plummets when Americans consider its trade-offs. Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may.
2. **Independents oppose debt relief in many circumstances** **Ekins 22'** Although independents initially support (58%) student debt cancellation, they oppose if it raises taxes (70%), benefits the well-off (74%), raises tuition rates (79%), or leads to credential inflation (71%). Republicans oppose (63%) student debt cancellation even before being asked about these potential costs. But their opposition rises about 20 points if cancellation led to tuition inflation (82%), credential inflation (83%), higher taxes (81%) or advantaged the well-off (78%).
3. **Americans do not want colleges to raise their prices** **Boehm 22'** If student loan forgiveness means colleges will raise their prices, for example, support for the policy plummets to 25 percent overall (and 31 percent from Democrats). But that's probably the most obvious and inevitable consequence of forgiving student debt.
4. **Americans do not want debt forgiveness to help the rich** **Boehm 22'** what if most of the benefits of student debt forgiveness accrued to wealthier Americans? Then support for the policy falls to 32 percent overall and 44 percent among Democrats.

Analysis: This response is good because it illustrates that while Americans might support a theoretical loan forgiveness program, they are unlikely to actually raise political capital once they find out about the tradeoffs that such a program would require.

Warrant: Americans do not want to pay for debt forgiveness
Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." CATO, September 2022,
https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it
The Cato 2022 Student Debt Cancellation National Survey, a new national poll of 2,000 U.S. adults, finds 64% of Americans support the federal government forgiving up to $10,000 in federal student loans for people who earn less than $150,000 a year or less than $300,000 per year for married couples. However, support for cancelling federal student loan debt plummets when Americans consider its trade-offs. Nearly two-thirds of Americans oppose cancellation if forgiving $10,000 per borrower raises their taxes (64%) or if it primarily benefits higher income people (68%). Even more Americans oppose if cancellation incentivizes colleges and universities to further raise prices, as research has shown it may. About three-fourths of Americans would oppose student debt cancellation if it caused universities to raise their tuition and fees (76%) or if it caused more employers to require college degrees even if not needed to do the job (71%), also known as "credential inflation."

Warrant: Independents oppose debt relief in many circumstances
Ekins, Emily. "New Poll: 76% of Americans Oppose Student Debt Cancellation if It Drives up the Price of College, 64% Oppose if It Raises Taxes." CATO, September 2022,
https://www.cato.org/blog/new-poll-76-americans-oppose-student-debt-cancellation-it-drives-price-college-64-oppose-it
A majority (56%) of Democrats would continue to support student debt cancellation even if it raised taxes. But Democrats turn against forgiving $10,000 in student debt per borrower if doing so meant colleges would raise their prices (67%) or if it led to credential inflation (64%). Although independents initially support (58%) student debt cancellation, they oppose if it raises taxes (70%), benefits the well-off (74%), raises tuition rates (79%), or leads to credential inflation (71%). Republicans oppose (63%) student debt cancellation even before being asked about these potential costs. But their opposition rises about 20 points if cancellation led to tuition inflation (82%), credential inflation (83%), higher taxes (81%) or advantaged the well-off (78%).

Warrant: Americans do not want colleges to raise their prices
Boehm, Eric. "Most Americans Support Student Debt Forgiveness Until They Think About It." Reason Magazine, September 2022, https://reason.com/2022/09/02/most-americans-support-student-debt-forgiveness-until-they-think-about-it/
If student loan forgiveness means colleges will raise their prices, for example, support for the policy plummets to 25 percent overall (and 31 percent from Democrats). But that's probably the most obvious and inevitable consequence of forgiving student debt—and, more accurately, of Biden's decision to change how student loan repayment plans will work in the future. The new loan-repayment structure caps payments as a percentage of a borrower's income, meaning that the amount borrowed above the cap becomes effectively meaningless. Colleges will be able to raise tuition to astronomical levels while telling students not to worry about the amount because what they owe in repayment will be capped.

Warrant: Americans do not want debt forgiveness to help the rich
Boehm, Eric. "Most Americans Support Student Debt Forgiveness Until They Think About It." Reason Magazine, September 2022, https://reason.com/2022/09/02/most-americans-support-student-debt-forgiveness-until-they-think-about-it/
What if student loan forgiveness also caused more employers to require a college degree, even for jobs that someone could do without spending four years studying various unrelated topics? When presented with that possibility, only 29 percent of respondents (and 36 percent of Democrats) in the Cato/YouGov poll say they would support Biden's policy. Too bad, because that's a likely outcome, too. And what if most of the benefits of student debt forgiveness accrued to wealthier Americans? Then support for the policy falls to 32 percent overall and 44 percent among Democrats.

AT: Student loans are expensive.

Delink: Student loan burdens are overblown.

Bowen '16 reports,

1. "Forty percent of public-college students owe nothing when they graduate, and the vast majority of people with six-figure borrowing for higher education have gone to graduate or professional school — often financing medical, dental, or other degrees that are likely to lead to very good incomes. Among the 60 percent of public-college bachelor's recipients in 2013-14 who did borrow, the average amount was $25,500."
2. **College graduates have plenty of economic opportunity.** → "College degrees pay off big-time. There is nothing foolish about expecting that an investment of substantial time and money in one's future will yield the prospect of a better material life. For decades, the unemployment rate for people with only a high school degree has consistently been about twice as high as that for those with bachelor's degrees. In 2015, 5.4 percent of high school grads aged 25 and over were unemployed, compared to 2.8 percent for BA holders. The figure for those with advanced degrees was even lower. What's more, recent years have seen the highest ratio of BA-to-high-school earnings in history."

The Atlantic '23 reports,

3. **College graduates have plenty of economic opportunity.** → "College degrees pay off big-time. There is nothing foolish about expecting that an investment of substantial time and money in one's future will yield the prospect of a better material life. For decades, the unemployment rate for people with only a high school degree has consistently been about twice as high as that for those with bachelor's degrees. In 2015, 5.4 percent of high school grads aged 25 and over were unemployed, compared to 2.8 percent for BA holders. The figure for those with advanced degrees was even lower. What's more, recent years have seen the highest ratio of BA-to-high-school earnings in history."

4. **College benefits justify the debt burden.** → “College is such a good investment, in fact, that it might even justify more student debt. A 2012 study found that 1 in 6 full-time students at four-year schools who were eligible for government loans weren't taking advantage of them. Another found that low-income families are likely to overestimate the cost of college, and suggested that they may be scared off by the complexity of financial-aid forms. But for students from these families, not going to college can be more expensive than going to college.”
5. **College is cheaper than expected.** → “One year at Harvard costs $57,950. But most students don't go to Harvard. The average yearly tab for a first-time, full-time student living on campus, it turns out, is $27,453 at four-year schools and $15.267 at two-year schools. Even most of the students who do go to Harvard don't end up paying full price.”

Analysis: This is a good response because it shows that the student debt situation is manageable. As long as college graduates earn more money than their counterparts, debt can be repaid. Argue that targeted debt relief is better than blanket forgiveness.

Answer: Student loan burdens are overblown.
Bowen, William. “The student loan debt crisis is overblown. The real problem is college completion rates.” Vox, March 2016,
https://www.vox.com/2016/7/22/12254046/myths-higher-education-crisis-debt-loans-free-tuition/
Forty percent of public-college students owe nothing when they graduate, and the vast majority of people with six-figure borrowing for higher education have gone to graduate or professional school — often financing medical, dental, or other degrees that are likely to lead to very good incomes. Among the 60 percent of public-college bachelor’s recipients in 2013-14 who did borrow, the average amount was $25,500. Powerful new data from the US Treasury department makes clear that the people who are most likely to get in trouble with debt are those who dropped out of college before they earned a credential, and who therefore have weak job prospects. Often they have borrowed relatively little money but have few resources and no doubt little enthusiasm for repaying what they owe. Dropouts are almost three times as likely to default on their loans as graduates are. It is this subgroup’s debt that ought to be driving the conversation, not the debt of the "average" college student.

Warrant: College graduates have plenty of economic opportunity.
Bowen, William. “The student loan debt crisis is overblown. The real problem is college completion rates.” Vox, March 2016,
https://www.vox.com/2016/7/22/12254046/myths-higher-education-crisis-debt-loans-free-tuition/
College degrees, and bachelor’s degrees especially, pay off big-time. It is certainly a mistake to think that the point of life, or of college, is to make as much money as possible, but there is nothing foolish about expecting that an investment of substantial time and money in one’s future will yield the prospect of a better material life. The financial crash generated lots of stories about recent college graduates being unemployed or taking so-called non-college jobs. In fact, though, for decades the unemployment rate for people with only a high school degree has consistently been about twice as high as that for those with bachelor’s degrees. In 2015, 5.4 percent of high school grads aged 25 and over were unemployed, compared to 2.8 percent for BA holders. The figure for those with advanced degrees was even lower. What’s more, recent years have seen the highest ratio of BA-to-high-school earnings in history. The worst outcomes occur for those who have only a high school diploma or less.

Warrant: College benefits justify the debt burden
Allen, Nichole. “The Myth of the Student-Loan Crisis.” The Atlantic, March 2013,
https://www.theatlantic.com/magazine/archive/2013/03/myth-student-loan-crisis/309231/
College is such a good investment, in fact, that it might even justify more student debt. A 2012 study found that 1 in 6 full-time students at four-year schools who were eligible for government loans weren't taking advantage of them. Another found that low-income families are likely to overestimate the cost of college, and suggested that they may be scared off by the complexity of financial-aid forms. But for students from these families, not going to college can be more expensive than going to college. Each of the 6.7 million Americans ages 16 to 24 who are neither employed nor in school costs the country $37,450 a year in lost wages, lost tax revenue, and higher public spending. Compared with this figure, the cost of college is a bargain.

Warrant: College is cheaper than expected
Allen, Nichole. “The Myth of the Student-Loan Crisis.” The Atlantic, March 2013,
https://www.theatlantic.com/magazine/archive/2013/03/myth-student-loan-crisis/309231/
This month, college-admission letters are being accompanied by national anxiety over the growing “student-debt crisis.” The cost of college has spiked 150 percent since 1995, compared with a 50 percent increase in the cost of other goods and services. Last year, outstanding student loans soared to nearly $1 trillion—a 300 percent jump since 2003. College is an undeniably risky investment, seemingly more so than ever. But are rising debt levels a national crisis? One year at Harvard costs $57,950. But most students don't go to Harvard. The average yearly tab for a first-time, full-time student living on campus, it turns out, is $27,453 at four-year schools and $15.267 at two-year schools. Even most of the students who do go to Harvard don't end up paying full price. Taking

grants and scholar- ships into account, these students owed $16,459 for the 2009-10 school year; nationwide, the average four- year student who received aid owed $17,360.

AT: Student loans hurt low income students.

Debt forgiveness flows to the rich.

Polumbo '22 reports,

1. **Most student debt is held by the rich.** → "Forcing taxpayers to eat the loss for mass student debt cancellation gives the top 20% of income earners roughly three times as much benefit as it gives the bottom 20%. Across-the- board forgiveness is therefore a costly and ineffective way to reduce economic gaps by race or socioeconomic status." This isn't the only finding of its kind. Another study found that canceling student debt gives six times more benefit to the top 20% than the bottom 20%."
2. **Loan forgiveness is regressive and ignores the costs of the policy.** → "It also ignores the root causes of this very real problem. Yes, college tuition is way too expensive. But that's largely because of misguided federal subsidies that inflated the cost of college to begin with. Only progressives could argue that the solution to a problem created by government meddling is more government meddling."

Sheffley '22 reports,

3. **College students will make the most money during their lifetime.** → "A former chair of the Federal Reserve thinks President Joe Biden should think twice about canceling student debt. "It would be very unfair to eliminate," Ben Bernanke, who served in the Fed from 2006-2014, told The New York Times. "Many of the people who have large amounts of student debt are professionals who are going to go on and make lots of money in their lifetime. So why would we be favoring them over somebody who didn't go to college, for example?""

Analysis: Show the judge that most student debt is held by wealthy individuals who will earn more than their non-college-educated peers over their lifetimes. Make your opponent justify student loan relief as opposed to other welfare programs.

Warrant: Most student debt is held by the rich
Polumbo, Brad. "Student Debt Forgiveness Would Benefit 'High-Wealth Households' the Most, New Study Says." Foundation for Economic Education, Jan. 2022,
https://fee.org/articles/student-debt-forgiveness-would-benefit-high-wealth-households-the-most-new-study-says/

This means that forcing taxpayers to eat the loss for mass student debt cancellation gives the top 20% of income earners roughly three times as much benefit as it gives the bottom 20%. Yes, seriously! “Measured appropriately, student debt is concentrated among high-wealth households and loan forgiveness is regressive whether measured by income, educational attainment, or wealth,” Brookings Nonresident Senior Fellow in Economic Studies Adam Looney concludes. “ Across-the- board forgiveness is therefore a costly and ineffective way to reduce economic gaps by race or socioeconomic status.” This isn’t the only finding of its kind. Another study found that canceling student debt gives six times more benefit to the top 20% than the bottom 20%. The exact numerical values vary depending on how you run the numbers, but the takeaway is clear. Because college graduates earn more than the average American, forcing everyone to collectively eat the loss for their education is actually a regressive redistribution of wealth.

Warrant: Loan forgiveness is regressive and ignores the costs of the policy
Polumbo, Brad. “Student Debt Forgiveness Would Benefit 'High-Wealth Households' the Most, New Study Says.” Foundation for Economic Education, Jan. 2022,
https://fee.org/articles/student-debt-forgiveness-would-benefit-high-wealth-households-the-most-new-study-says/
It also ignores the root causes of this very real problem. Yes, college tuition is way too expensive. But that’s largely because of misguided federal subsidies that inflated the cost of college to begin with. Only progressives could argue that the solution to a problem created by government meddling is more government meddling. Ultimately, student debt cancellation is a scam. Forget robbing the rich to feed the poor; student debt cancellation is robbing the workers to give bailouts to the wealthy. Yet for some reason, progressive politicians flip-flop all their regular positions and principles and support this policy despite its highly regressive nature. Why? Well, the cynic in me would point out that wealthier, college-educated people are overwhelmingly a Democratic voting constituency.

Warrant: College students will make the most money during their lifetime
Sheffley, Ayelet. “Canceling student debt would be 'very unfair' and favor those who
make 'lots of money in their lifetime,' former Fed Chair Bernanke says.” Business Insider, May 2022,
https://www.businessinsider.com/canceling-student-debt-very-unfair-favor-wealthy-fed-chair-bernanke-2022-5
A former chair of the Federal Reserve thinks President Joe Biden should think twice about canceling student debt. "It would be very unfair to eliminate," Ben Bernanke, who served in the Fed from 2006-2014, told The New York Times. "Many of the people who have large amounts of student debt are professionals who are going to go on and make lots of money in their lifetime. So why would we be favoring them over somebody who didn't go to college, for example?" His views on student-loan relief are ones shared by many conservatives who believe debt relief will help the wealthy, and not the low-income earners who need it most. As Insider previously reported, Republican lawmakers are growing increasingly concerned Biden will actually cancel some student debt, which he pledged to do on his campaign trail. The president recently said a decision on relief will be made in the coming weeks — and before the pause on student-loan payments expires at the end of August — and the question now is focused not so much on whether debt cancellation will happen, but how much.

AT: Student loans hurt marginalized groups.

Answer: Debt forgiveness is a short-term solution

1. **Debt cancellation may increase costs in the future** **Staff 21'** If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise. A policy with a hard income limit may also induce people to adapt to the cut off—the limit could create a marginal incentive to reduce work or to cut reported income in other ways.
2. **Debt cancellation does nothing about the long term** **Staff 21'** One-time student loan forgiveness addresses the stock of student loan debt today but does nothing to reduce the amount of debt accrued tomorrow. As noted above, even in the most generous cancellation scenario, student loan debt would total over $900 billion, roughly on par with 2012 levels.
3. **Debt levels would return in a short period** **Staff 22'** Federal student loan borrowers currently owe $1.6 trillion of student debt to the federal government. Cancelling some or all debt for current borrowers would reduce the debt burden. However, without underlying reforms to reduce the overall cost of, or the amount borrowed for, education, this reduction would only be temporary. Debt would return to $1.6 trillion 15 years after all debt was cancelled.
4. **Debt would likely grow faster** **Staff 22'** Importantly, these projections assume no change in borrower behavior. In reality, debt cancellation would likely lead to increased borrowing, slower repayment, and larger tuition increases as borrowers and schools would expect another round of cancellation in the future. Any behavioral changes would mean the portfolio would return even faster to its current size.

Analysis: This response works well to show that even though the racial student loan gap is a problem, debt forgiveness will not solve it. Make the case that long-term structural reforms are needed instead.

Warrant: Debt cancellation may increase costs in the future
Staff. “Who Benefits from Debt Cancellation?.” JP Morgan, March 2021,
https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-cancellation
Debt cancellation may create moral hazard problems if people believe there will be future debt cancellations. If people believe debt could be forgiven in the future, they may change their behavior today, taking out more debt or repaying current debt more slowly than they would otherwise. A policy with a hard income limit may also induce people to adapt to the cut off—the limit could create a marginal incentive to reduce work or to cut reported income

in other ways. However, a one-time cancellation based on already filed tax documents could lessen these problems, insofar as the government can convince the public the cancellation is a one-time action. However, if cancellation is not coupled with some reduction of the ongoing economic pressures that caused the accumulation of debt in the first place, claims of a "one-time" cancellation are lesscredible, increasing the chance of moral hazard problems.

Warrant: Debt cancellation does nothing about the long term
Staff. "Who Benefits from Debt Cancellation?." JP Morgan, March 2021,
https://www.jpmorganchase.com/institute/research/household-debt/who-benefits-from-student-debt-cancellation
One-time student loan forgiveness addresses the stock of student loan debt today but does nothing to reduce the amount of debt accrued tomorrow. As noted above, even in the most generous cancellation scenario, student loan debt would total over $900 billion, roughly on par with 2012 levels. Any economic forces that contributed to the current stock of student debt today, such as increasing tuition costs and increasing enrollment among low-income families, will continue to push tomorrow's students to accumulate debt. Any long-term solution to relieving students is incomplete without addressing these underlying forces.

Warrant: Debt levels would return in a short period
Staff. "How Long Before Cancelled Student Debt Would Return?," Committee on a Responsible Federal Budget, July 2022,
https://www.crfb.org/blogs/archive-2-how-long-cancelled-student-debt-would-return
Federal student loan borrowers currently owe $1.6 trillion of student debt to the federal government. Cancelling some or all debt for current borrowers would reduce the debt burden. However, without underlying reforms to reduce the overall cost of, or the amount borrowed for, education, this reduction would only be temporary. We estimate that absent other reforms in federal financial aid, outstanding federal student loan debt would return to the current $1.6 trillion level relatively soon after cancellation.1 With conservative assumptions, we find: Debt would return to $1.6 trillion four years after $10,000 per borrower was cancelled. Debt would return to $1.6 trillion 10 years after $50,000 per borrower was cancelled. Debt would return to $1.6 trillion 15 years after all debt was cancelled.

Warrant: Debt would likely grow faster
Staff. "How Long Before Cancelled Student Debt Would Return?," Committee on a Responsible Federal Budget, July 2022,
https://www.crfb.org/blogs/archive-2-how-long-cancelled-student-debt-would-return
Importantly, these projections assume no change in borrower behavior. In reality, debt cancellation would likely lead to increased borrowing, slower repayment, and larger tuition increases as borrowers and schools would expect another round of cancellation in the future. Any behavioral changes would mean the portfolio would return even faster to its current size. Projected Student Debt Growth After Cancellation. There is currently $1.6 trillion of total outstanding federal student student debt. Using data from the Department of Education, we estimate that cancelling $10,000 of student debt would reduce the portfolio to $1.2 trillion, cancelling $50,000 would reduce it to about $550 billion, and cancelling all debt would, of course, reduce the portfolio to $0. But after cancellation, the loan portfolio

AT: Debt forgiveness would increase homeownership rates among youth.

Argument: Student loan forgiveness would inflate home prices in ways that worsen inequality and actual homeownership rates.

1. **Biden's moratorium on student loan payments coincided with significant increases in home loan prices, rents, and median home prices.** Hardy 23' the skyrocketing cost of everyday necessities has staked its claim on the cash that was freed up from paused payments. For instance, just in terms of housing costs throughout the pandemic, Zillow says new home loans have more than doubled in price. Rents have risen about 27%. According to data from the Federal Reserve of St. Louis, median home prices have risen more than 35% since the student loan moratorium went into effect.
2. **The current housing shortage will exacerbate this increase in home prices to create unaffordable homes.** Capisi 23' homes for sale has hit a historical low nationwide, which fuels price competition even more. Total housing inventory fell to a record low of 910,100 units in December, down 18% from the prior month and 14.2% from a year ago, according to the National Association of Realtors (NAR). It was the lowest amount in more than 20 years since the data had been collected. but reversing gaps like the ones we've seen recently will take years to correct."The tight housing supply also means homebuyers are competing for fewer houses on the market. Because of this, most housing experts say prices will likely continue to climb.
3. **Impact: Increased home prices reward private equity firms with greater access to capital to lock most families out of homeownership indefinitely by buying up the market.** Waters 23' Institutional investors may control 40% of U.S. single-family rental homes by 2030, according to MetLife Investment Management. Tricon Residential, Progress Residential, American Homes 4 Rent and Invitation Homes have each bought thousands of homes. Some of these companies are financed by private equity firms such as Blackstone and investment managers such as Pretium Partners. "They've been very explicit about how people are shut out of the homebuying market and are going to be perpetual renters." fierce housing inflation hit many Sun Belt states, including Texas, Florida and Georgia, The prices in some Sun Belt markets have outpaced national figures for rent inflation, according to research compiled by Zumper for CNBC. Between January 2020 and January 2023, rents for a two-bed detached home increased about 44% in Tampa, Florida, 43% in Phoenix, and 35% near Atlanta. That's compared with a 24% increase nationwide.

4. **Impact: When increased home prices lead to a bubble, eventual crashes leave homeowners devastated. Finley 23'** Home prices in the San Francisco Bay Area have plunged amid rising mortgage Interest rates. The total value of the city's homes has fallen by roughly $60 billion since last summer, causing about 1 in 8 recent sellers to take a loss, Easy money and excessively supportive government policy during the pandemic fueled a surge in housing prices nationwide. The withdrawal of cheap credit will doubtless cause pain, though where and how is hard to predict.
5. **Impact: Housing and rental price increases result in homelessness. Sanchez 18'** In New York City's tristate metro region, more than one million low- to moderate-income households, 70% of them Black or Hispanic, are vulnerable to displacement. As there is a clear link between increasing rents, displacement, and homelessness. In New York City, a 5% rent increase has been associated with an additional 3,000 residents becoming homeless.

Analysis: While coinciding factors will lead to exorbitantly high housing prices, this argument is extremely vulnerable to criticisms about uniqueness because the housing shortage happens in both Pro and Con worlds and Private Equity firms have been buying up housing since 2008 with few obvious impacts. Nevertheless, characterizing home and rental prices as being now completely inaccessible to poor people makes the tie from the first warrant to the last impact very clear, so emphasize those two cards over others.

Warrant: Biden's moratorium on student loan payments coincided with significant increases in home loan prices, rents, and median home prices.
Hardy, Adam. "The Return of Student Loan Payments Could Put the Squeeze on Homebuyers." Money, 26 Jul. 2023.
https://money.com/student-loan-payments-squeeze-homebuyers/.
Zillow's analysis assumes that borrowers were able to save the money that would have been going toward their student loan payments throughout the moratorium. It's not clear how many borrowers were actually able to do that. Separate research suggests that borrowers have put that money to use elsewhere — and in some cases, the skyrocketing cost of everyday necessities has staked its claim on the cash that was freed up from paused payments. For instance, just in terms of housing costs throughout the pandemic, Zillow says new home loans have more than doubled in price. Rents have risen about 27%. According to data from the Federal Reserve of St. Louis, median home prices have risen more than 35% since the student loan moratorium went into effect.

Warrant: The current housing shortage will exacerbate this increase in home prices to create unaffordable homes.
Capisi, Natalie & Rachel Witkowski. "Homebuyers Running Out of Supply Options as Housing Supply Hits All-Time Low." Forbes Advisor, 28 Sept. 2023.
https://www.forbes.com/advisor/mortgages/real-estate/homes-for-sale-hit-record-low/.
Home prices and sales have continued to climb despite a small cooling in the winter. But the housing market is running up against a new dilemma—the supply of existing homes for sale has hit a historical low nationwide, which fuels price competition even more. Total housing inventory fell to a record low of 910,100 units in December, down 18% from the prior month and 14.2% from a year ago, according to the National Association of Realtors (NAR). It was the lowest amount in more than 20 years since the data had been collected. "We saw inventory numbers hit an all-time low in December," said NAR's Chief Economist Lawrence Yun, in the data release. "Homebuilders have already made strides in 2022 to increase supply, but reversing gaps like the ones we've seen recently will take years to correct."The tight housing supply also means homebuyers are competing for fewer houses on the market. Because of this, most housing experts say prices will likely continue to climb.

Impact: Increased home prices reward private equity firms with greater access to capital to lock most families out of homeownership indefinitely by buying up the market.
Waters, Carlos. "Wall Street has purchased hundreds of thousands of single-family homes since the Great Recession. Here's what that means for rental prices." CNBC, 21 Feb. 2023.
https://www.cnbc.com/2023/02/21/how-wall-street-bought-single-family-homes-and-put-them-up-for-rent.html.
Institutional investors may control 40% of U.S. single-family rental homes by 2030, according to MetLife Investment Management. And a group of Washington, D.C., lawmakers say Wall Street needs to back away from the market. "What we're saying is don't have private equity buying up single-family homes," said Rep. Ro Khanna, a Democrat representing California's 17th Congressional District. Khanna is the lead author of the Stop Wall Street Landlords Act of 2022. "What's outrageous is your tax dollars are helping Wall Street buy up single-family homes," he said in an interview with CNBC. The single-family rental industry got its start with government backing in the fallout after the 2008 financial crisis. "It was that rare opportunity that attracted the institutions to build a portfolio out of these foreclosed properties," said Steven Xiao, an assistant professor of finance and managerial economics at the University of Texas at Dallas. Since the early 2010s, Tricon Residential, Progress Residential, American Homes 4 Rent and Invitation Homes have each bought thousands of homes. They've also added to the housing supply in some cases with built-for-rent communities. Some of these companies are financed by private equity firms such as Blackstone and investment managers such as Pretium Partners. "It's almost a captive market," said Jordan Ash, director of labor-jobs and housing at the Private Equity Stakeholder Project. "They've been very explicit about how people are shut out of the homebuying market and are going to be perpetual renters." These calls come after fierce housing inflation hit many Sun Belt states, including Texas, Florida and Georgia, according to the National Association of Realtors. The prices in some Sun Belt markets have outpaced national figures for rent inflation, according to research compiled by Zumper for CNBC. Between January 2020 and January 2023, rents for a two-bed detached home increased about 44% in Tampa, Florida, 43% in Phoenix, and 35% near Atlanta. That's compared with a 24% increase nationwide. Industry advocates argue that they do not control enough market share to dictate prices in any market. Large institutions owned roughly 5% of the 14 million single-family rentals nationally in early 2022, according to analysts.

Impact: When increased home prices lead to a bubble, eventual crashes leave homeowners Devastated.
Finley, Allysia. "The Student-Debt Bubble Fueled a Housing Bubble." Wall Street Journal, 10 Sept. 2023.
https://www.wsj.com/articles/the-student-debt-bubble-fueled-a-housing-bubble-debt-income-obama-fannie-freddie-bd29b05c
Home prices in the San Francisco Bay Area have plunged amid rising mortgage Interest rates. The total value of the city's homes has fallen by roughly $60 billion since last summer, causing about 1 in 8 recent sellers to take a loss, real-estate website Redfin reported last week. San Francisco's deflating home market doesn't necessarily reflect the whole nation, but it isn't surprising. Easy money and excessively supportive government policy during the pandemic fueled a surge in housing prices nationwide. The withdrawal of cheap credit will doubtless cause pain, though where and how is hard to predict. Credit scores of home buyers have generally improved since the 200 bubble years thanks in part to changes in FICO's calculations that reduced penalties for unpaid medical debt. A decade of historically low interest rates also made it easier for buyers to finance debt.

Impact: Housing and rental price increases result in homelessness.
Sanchez, Pierina Ana et al. "Pushed Out: Countering Housing Displacement in an Unaffordable Region." Urban Matters, 21 Feb. 2018.
http://www.centernyc.org/pushed-out.

In New York City's tristate metro region, more than one million low- to moderate- income households, 70% of them Black or Hispanic, are vulnerable to displacement. As the Regional Plan Association's recent report on this crisis shows, those most at risk live in pedestrian-friendly urban communities with good access to jobs and services. As demand pushes rents and sale prices in such areas upward, lower-income households are pushed outward. There is a clear link between increasing rents, displacement, and homelessness. In New York City, a 5% rent increase has been associated with an additional 3,000 residents becoming homeless. The current situation is largely the result of decades of discriminatory policies, such as unequal access to financing and restrictive covenants that prohibited people of color from living in the suburbs. Black and Hispanic families were largely confined to urban areas that today are experiencing growth and reinvestment, and were also often prevented from owning homes and building equity and stability, increasing vulnerability to the shifting forces of the housing market.

AT: Debt forgiveness would boost entrepreneurship.

The inflationary effects of student loan debt cancellation would create economic conditions so hostile that it would counteract any boost in entrepreneurship.

FRBR '22 reports,

1. **Funding even limited forgiveness plans like Biden's requires deficit spending that creates persistent and sustained inflationary pressures.** → "Total outstanding federal debt [stands] at [over] $30.6 trillion. Since the student loan cancellation program is unfunded, all else equal there won't be any additional future revenues to offset this increase. The increase in price level represents a monthly inflation rate of up to 1.7 percent. Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates. To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future."

Camberato '22 reports,

2. **Inflation makes hostile conditions for small businesses.** → "[There are] higher costs [now for small business owners.] The supplies and services you need to run your business are more expensive, running a business is more costly. Many business owners, have been forced to reduce their inventory, cut marketing costs and look for other ways to save money. And finally, rising costs often result in tighter profit margins. This makes it harder for businesses to reach their margins and remain profitable over time."

Huddleston '23 reports,

3. **Impact: Inflation spooks venture capital investors who then are not willing to invest in startups to support their success or even their creation.** → "Venture capital investors are pumping the brakes on aggressive funding of startups, spooked by an uncertain economic picture. In the final quarter of 2022, investments in North American startups fell 63% compared to the same period a year earlier, according to a new

> Crunchbase report. “A year ago, we were not anticipating we would be where we are today,” Jeff Grabow, a venture capital leader at global accounting firm Ernst & Young, tells CNBC Make It. “There [were] none of the storm clouds on the horizon that have come in through geopolitical instability, inflation being more endemic, and having rising interest rates and recessionary fears.””

Analysis: There are a significant number of blocks to the argument that this would create inflationary pressures, but this is a very tenable position from classical economics. Be aware of comprehensive weighing which talks about imminent economic slowdown: there are a significant number of commentators very worried about a slowdown as people have less disposable income due to the resumption of student loan payments, and the negative impacts of this would also be injurious to small businesses.

Warrant: Funding even limited forgiveness plans like Biden’s requires deficit spending that creates persistent and sustained inflationary pressures.
George, Aubrey & Thomas Lubik. “Student Debt Cancellation Raises the Price Level and Inflation.” Federal Reserve Bank of Richmond, 11 Oct. 2022.
https://www.richmondfed.org/research/national_economy/macro_minute/2022/mm_10_11_22
At the end of June, total outstanding federal debt stood at $30.6 trillion. The various estimates suggest that debt forgiveness adds roughly 1 percent to the outstanding nominal debt, which is about the size of a full year's primary deficit. As the fiscal theory suggests, this must be covered by future revenues. Since the student loan cancellation program is unfunded, all else equal there won't be any additional future revenues to offset this increase. Thus, the real burden has to decline. This is achieved by an increase in the price level. Using the relationship in Figure 1, we calculate this as an increase of the PCE price level from 295.7 to a midpoint of estimates of 300.2, plus or minus 0.9. As shown in Table 1, the increase in price level represents a monthly inflation rate of up to 1.7 percent. This number is certainly an upper bound as there are various mitigating factors: The price level may not rise instantaneously, as some contractual prices in the economy are fixed. Some aspects of loan forgiveness may be modified or phased in later so that the expected present discounted value is smaller. There may be compensating factors, as Congress may pivot to tax hikes to combat the unfunded debt forgiveness.In addition, at the time of this writing, there are legal challenges proceeding that may prevent debt forgiveness from being implemented at all. There could also be some stimulating impact, as the debt cancellation could free up borrowers' cash flow, and the additional spending may create more tax revenue. However, at the same time, this is also likely to be inflationary. Expectation of additional debt forgiveness programs evokes a moral hazard incentive for college students to take out more loans and for universities to increase tuition rates.1 To the extent that inflation is inherently persistent, any initial price level increase would also lead to sustained inflation over the near future. The Committee for a Responsible Federal Budget estimates that the Fed will need to raise rates by an additional 50 to 75 basis points to counteract the Biden debt cancellation proposal.

Warrant: Inflation makes hostile conditions for small businesses.
Camberato, Joe. “The Impact of Inflation on Smal Businesses and How to Manage It.” Forbes, 25 May 2022.
https://www.forbes.com/sites/forbesfinancecouncil/2022/05/25/the-impact-of-inflation-on-small-businesses-and-how-to-manage-it/?sh=2e791267ae41
Since the pandemic began, businesses have been struggling to deal with the rising costs of inflation. Covid-19 just fast-tracked the inevitable—ongoing supply chain issues made it harder to access goods, which drove up the prices. Here are some of the most significant ways small businesses have been impacted by inflation: Higher costs: According to a Business.org survey, 92% of small-business owners surveyed have dealt with rising costs since the beginning of the pandemic. The supplies and services you need to run your business are more expensive, and 26% have seen their costs rise by 20%. Rising prices: Because running a business is more costly, over 80% of small-business owners have increased their prices in an attempt to counter inflation. Of course, this can be a risky move since some of your customers may not accept these higher price points. Cutting overhead expenses: In addition to raising prices, cutting your overhead costs can be a good way to manage inflation. Many business owners have been forced to reduce their inventory, cut marketing costs and look for other ways to save money. Tighter profit margins: And finally, rising costs often result in tighter profit margins. This makes it harder for businesses to reach their margins and remain profitable over time.

Impact: Inflation spooks venture capital investors who then are not willing to invest in startups to support their success or even their creation.
Huddleston, Tom. “Startup funding has tanked over the past year—and recession fears are to blame.” CNBC, 12 Jan 2023.
https://www.cnbc.com/2023/01/12/startup-investment-fell-in-late-2022-amid-recession-fear-crunchbase.html
Venture capital investors are pumping the brakes on aggressive funding of startups, spooked by an uncertain economic picture, plunging tech industry stock prices and growing recession fears. In the final quarter of 2022, investments in North American startups fell 63% compared to the same period a year earlier, according to a new Crunchbase report. In other words, If you’re among the large number of Americans hoping to quit your job and pursue a side hustle full-time, you may want to wait a while. “A year ago, we were not anticipating we would be where we are today,” Jeff Grabow, a venture capital leader at global accounting firm Ernst & Young, tells CNBC Make It. “There [were] none of the storm clouds on the horizon that have come in through geopolitical instability, inflation being more endemic, and having rising interest rates and recessionary fears.”

AT: Debt forgiveness would encourage family-building.

Argument: Student loans are not a significant reason that people are not having children.

1. **While debt affects how people transition towards key life events like marriage and decisions regarding fertility by potentially delaying the transition, it is conceived as a short-term effect that does not affect couples' long-term life goals about having children or getting married.** **Nau 15'** Debt may therefore be more important in enabling and constraining key transitions like fertility in the early years than later when financial lives may have become more secure. Conceptually, debt is most likely to exert shorter-term effects on the timing of large life decisions like fertility, similar to other factors that affect fertility, like postsecondary education. It is unlikely that indebtedness would be sufficiently large (for most) to significantly change the decision to have children at all, but may affect the timing of fertility. Indeed even factors like class and race that have large effects on fertility have little effect on total fertility in recent years, which has converged across social groups, but rather influence timing and patterning.
2. **Families are not ceasing to have children; they are just delaying their decisions because they have more educational opportunities.** **Brown 21'** declining marriage and fertility rates are happening across the board, while student loan burdens are less widespread. 70 percent of all U.S. adults, including 57 percent of those who attended college, have never incurred education-related debt.[8] A full two-thirds of the Millennial generation, who came of age during the rapid run-up in education-related debt, hold no student loan debt.[9] Additionally, education-related debt is an investment as well as an obligation. understanding what role student debt plays in the lives of young Americans is important before adopting widespread policy prescriptions. Careful consideration of the research suggests that some individuals with exceptionally high loan burdens, particularly women, are more likely to delay marriage. There is less evidence that student loans are associated with lower fertility.

Analysis: This is a surprising conclusion which is very good for attacking a very common Pro point. Use common sense and provide the judges with analogies to other major life decisions to demonstrate the difficult of the other argument.

Warrant: While debt affects how people transition towards key life events like marriage and decisions regarding fertility by potentially delaying the transition, it is conceived as a short-term effect that does not affect couples' long-term life goals about having children or getting married.

Nau, Michael et al. "Can't Afford a Baby? Debt and Young Americans." Research in Social Stratification and Mobility, vol. 42, 114-122, Dec. 2015.
https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5231614/.
Debt may be particularly influential in the early stages of the adult life course. For many youth, the late teens to the mid-20s are a time of growing demand for spending – on education, on developing the resources for first jobs (such as transportation and clothing for work), and on setting up independent households – but slow growth in income. Debt may therefore be more important in enabling and constraining key transitions like fertility in the early years than later when financial lives may have become more secure (Bozick & Estacion, 2014). Conceptually, debt is most likely to exert shorter-term effects on the timing of large life decisions like fertility, similar to other factors that affect fertility, like postsecondary education (Brand & Davis, 2011). It is unlikely that indebtedness would be sufficiently large (for most) to significantly change the decision to have children at all, but may affect the timing of fertility. Indeed even factors like class and race that have large effects on fertility have little effect on total fertility in recent years, which has converged across social groups, but rather influence timing and patterning (Sweeney and Raley, 2014). Similarly, in their analysis of debt and marriage, Bozick and Estacion (2014) find that debt has effects mainly in delaying marriage rather than encouraging youth to forego marriage altogether.

Warrant: Families are not ceasing to have children; they are just delaying their decisions because they have more educational opportunities.
Brown, Patrick. "Examining the Relationship Between Higher Education and Family Formation." United States Congress Joint Economic Committee, 3 Nov. 2021.
https://www.jec.senate.gov/public/index.cfm/republicans/2021/11/examining-the-relationship-between-higher-education-and-family-formation.
These two facts have led many to associate rising student loan burdens with delayed marriage and parenthood.[5] A study by a private student loan lender found that roughly one-third of adults who attended college "might" consider delaying marriage due to education-related debt.[6] "How could I consider having children if I can barely support myself?" asked one Chicago woman who graduated from a for-profit interior design school with six figures of debt.[7] But declining marriage and fertility rates are happening across the board, while student loan burdens are less widespread. According to the Federal Reserve, 70 percent of all U.S. adults, including 57 percent of those who attended college, have never incurred education-related debt.[8] A full two-thirds of the Millennial generation, who came of age during the rapid run-up in education-related debt, hold no student loan debt.[9] Additionally, education-related debt is an investment as well as an obligation. Paying for higher education through student loans is one way of increasing human capital, and this makes it both a liability and an asset. The Social Capital Project has identified "making it more affordable to raise a family" as one of the core goals of our work. [10] Proposals to reduce or eliminate student debt on a large scale are often proposed in the spirit of lifting barriers to family formation, allowing young adults to marry or become parents.[11] But understanding what role student debt plays in the lives of young Americans is important before adopting widespread policy prescriptions. Careful consideration of the research suggests that some individuals with exceptionally high loan burdens, particularly women, are more likely to delay marriage. There is less evidence that student loans are associated with lower fertility. And on balance, large debt burdens are largely shouldered by a largely self-selected subset of households, many with higher educational attainment and higher earning potential.

AT: Debt forgiveness helps people save better.

Debt forgiveness does not solve structural problems preventing Americans from accumulating wealth and actually increases the debt taken on by future college students.

Burke '21 reports,

1. **Forgiveness increases the price of college for future students and encourages them to take on more debt.** → "Forgiveness proposals would almost certainly lead to the cost of college increasing for future students. In an ironic twist—loan cancellation would create tremendous inflationary pressure to raise tuition prices higher. There is evidence to support the theory that federal subsidies—which include loan forgiveness and subsidized student loans—increase the cost of college. In the last 20 years, the federal government's total inflation-adjusted spending on student loans has skyrocketed, from $50 billion in the 1999-2000 school year to $87 billion in 2019-2020. Concurrently, in-state tuition at public universities increased by 120 percent in real terms over the same time period. Increases in federal student aid enable colleges to raise tuition prices since students have more access to financing. Grey Gordon and Aaron Hedlund backed this theory up with quantitative models finding that raising subsidized loan limits led to a 102 percent increase in tuition between 1987 and 2010. Without those additional federal subsidies, the authors estimate tuition would have only gone up by 16 percent on net. the Federal Reserve Bank of New York found that increasing subsidized federal student loans leads to a tuition increase of 60 cents for every additional dollar of subsidized federal loans. That is, for every extra dollar Washington spends on federally subsidized student loans, colleges are estimated to raise tuition 60 cents to take advantage of students whose spending abilities have increased because of the new federal subsidies."

Farrington '19 reports,

2. **Debt forgiveness is not a feasible solution for every student loan recipient because it encourages moral hazard and universal college education does**

not serve US economic interests. → "Broad student loan forgiveness and "free college" plans do nothing to address the growing problem of rising college costs. Moving ahead with full loan forgiveness solely as a means for resolving the growing student loan debt crisis will lead to unintended consequences with perverse incentives for students and society. By awarding blanket student loan forgiveness, students may have no incentive to head into desired majors or fields of study which would be more in line with the needs of our economy, he says. Not everyone needs to go to college from a societal perspective, says Riley. Many crucial roles also do not require a college education to begin with. "By granting loan forgiveness to anyone, it can make college the default choice when it does not necessarily need to be.""

Masterson '22 reports,

3. **Impact: The rising cost of college for future students will contribute to the increasing cost of living increases dropout rates.** → "The rising cost of living is the reason 29% of students say they're not returning to college. They "can't afford regular living expenses due to inflation," not being able to afford tuition and the impact of COVID-19 on college life are some of the other main reasons for quitting. "

Ezarik '20 reports,

4. **Impact: Higher dropout rates create greater negative impacts to debt because dropouts are more likely to default.** → "students—57% of students who take on debt for college don't go on to graduate. The dropout rate for all students lands at 40%, meaning those who need loans drop out a lot more often than their non-borrowing peers. Much research has pointed to the college degree significantly opening up individuals' earning potential. So not surprisingly, it takes longer for borrowers who drop out to chip away at their debt. Department of Education data showed that 12 years after starting college, those who graduated had on average 58% of their loan balance yet. But those who never graduated had 84% of their loan balance left. Not graduating also impacts student loan defaults. OneClass researchers found that college dropouts are four times as likely to default on their loans compared to their graduating. counterparts. That finding is an increase from an

earlier longitudinal study where default rates were three times higher for those who didn't graduate."

Analysis: When using this block, make sure you understand the link chain: increased demand for college leads to higher tuition costs which leads to greater burdens on future borrowers who are then more likely to drop out and default. Be aware of criticism on the sourcing of the early links in this case because the argument that student loans increase tuition prices is very controversial.

Warrant: Forgiveness increases the price of college for future students and encourages them to take on more debt.
Burke, Lisa. "Democratic Plan to Forgive Student Loans Could Raise Tuition and Hurt Those at the Bottom." The Heritage Foundation, 23 Feb. 2021.
https://www.heritage.org/education/commentary/democratic-plan-forgive-student-loans-could-raise-tuition-and-hurt-those-the
Forgiveness proposals would unfairly foist a borrower's debt onto strangers, including those who made a conscious decision not to attend college to avoid debt or to go to a school they otherwise wouldn't have because it was less expensive. At the same time, it would almost certainly lead to the cost of college increasing for future students. Canceling student debt requires individuals at the lower end of the income spectrum to pay off the debt of college graduates who, statistically, are likely to out-earn them. Nearly two-thirds of adults do not hold bachelor's degrees today. A bachelor's degree is worth $2.8 million on average over the course of a lifetime, with degree holders earning 74 percent more than individuals with just a high school diploma, according to research by Georgetown University. Those earning professional degrees (for attending law school or medical school, say) are likely to benefit even more, earning 61 percent more on average than someone with a bachelor's degree over their working lifetime. Forgiveness would also punish responsible borrowers who worked carefully to pay off their debts, sacrificing dinners out or living in modest apartments to make good on their loans. As Carlo Salerno of CampusLogic points out, it would reward the person who "borrows to get a Ferrari over the one who got a Kia." Worse—in an ironic twist—loan cancellation would create tremendous inflationary pressure to raise tuition prices higher. There is evidence to support the theory that federal subsidies—which include loan forgiveness and subsidized student loans—increase the cost of college. In the last 20 years, the federal government's total inflation-adjusted spending on student loans has skyrocketed, from $50 billion in the 1999-2000 school year to $87 billion in 2019- 2020. Concurrently, in-state tuition at public universities increased by 120 percent in real terms over the same time period. According to the economic theory developed by former Reagan administration Education Secretary William Bennett, increases in federal student aid enable colleges to raise tuition prices since students have more access to financing. Researchers Grey Gordon and Aaron Hedlund backed this theory up with quantitative models finding that raising subsidized loan limits led to a 102 percent increase in tuition between 1987 and 2010. Without those additional federal subsidies, the authors estimate tuition would have only gone up by 16 percent on net. Similarly, a study by the Federal Reserve Bank of New York found that increasing subsidized federal student loans leads to a tuition increase of 60 cents for every additional dollar of subsidized federal loans. That is, for every extra dollar Washington spends on federally subsidized student loans, colleges are estimated to raise tuition 60 cents to take advantage of students whose spending abilities have increased because of the new federal subsidies.

Warrant: Debt forgiveness is not a feasible solution for every student loan recipient because it encourages moral hazard and universal college education does not serve US economic interests.
Farrington, Robert. "The Moral Hazard of Student Loan Forgiveness." Forbes, 25 Jun. 2019.
https://www.forbes.com/sites/robertfarrington/2019/06/25/the-moral-hazard-of-student-loan-forgiveness/?sh=3425c081364c
Finally, let's not forget that broad student loan forgiveness and "free college" plans do nothing to address the growing problem of rising college costs. According to Senior Financial Analyst Riley Adams, who also blogs at Young and the Invested, moving ahead with full loan forgiveness solely as a means for resolving the growing student loan debt crisis will lead to unintended consequences with perverse incentives for students and society. By awarding blanket student loan forgiveness, students may have no incentive to head into desired majors or fields of study which would be more in line with the needs of our economy, he says. Plus, without appropriate cost controls in place, many will try to go to college "just because," even if they're not a good candidate for college to begin with. Not everyone needs to go to college from a societal perspective, says Riley. Many crucial roles also do not require a college education to begin with. "By granting loan forgiveness to anyone, it can make college the default choice when it does not necessarily need to be."

Impact: The rising cost of college for future students will contribute to the increasing cost of living increases dropout rates.
Masterson, Victoria. "More students are dropping out of college in the US—here's why." World Economic Forum, 6 Sept. 2022.
https://www.weforum.org/agenda/2022/09/ college-student-dropouts-2022/
Workers are in high demand in the US and 31% of students dropping out of college after this term say it's to find a job. Another 31% say they're quitting college because they're not sure what they want to study. These students may decide to "stop investing time and money into a degree they might not actually want, and find a job while the getting is good," Intelligent.com suggests. The rising cost of living is the reason 29% of students say they're not returning to college. They "can't afford regular living expenses due to inflation," the survey authors say. Mental and physical health issues, not being able to afford tuition and the impact of COVID-19 on college life are some of the other main reasons for quitting. Online students are "slightly more likely" than students attending in-person classes or a mix of both to say they're dropping out of college after this term.

Impact: Higher dropout rates create greater negative impacts to debt because dropouts are more likely to default.
Ezarik, Melissa. "New analysis: Student loan borrowers with no degree." University Business, 12 Nov. 2020.
https://universitybusiness.com/new-analysis-student-loan-borrowers-with-no-degree/
It's a popular club that often has a lifetime membership, but it's one that no one wants to be a member of: the group of adults who have student loan debt but no diploma to show for it. According to a new analysis from OneClass—a provider of exam study guides, lecture notes and video tutorials created by top students—57% of students who take on debt for college don't go on to graduate. The dropout rate for all students lands at 40%, meaning those who need loans drop out a lot more often than their non- borrowing peers. The percentages of dropouts with student loan debt are close to the overall average for public colleges and universities/community colleges (56%) and for- profit colleges (59%). The percentage is a bit lower, 48%, for those who dropped out of private nonprofit colleges. Much research has pointed to the college degree significantly opening up individuals' earning potential. So not surprisingly, it takes longer for borrowers who drop out to chip away at their debt. Department of Education data showed that 12 years after starting college, those who graduated had on average 58% of their loan balance yet. But those who never graduated had 84% of their loan balance left. The median amount that group still owed: $24,400 (compared to $11,700 for those how had obtained a bachelor's degree or higher). Not graduating also impacts student loan defaults. OneClass researchers

found that college dropouts are four times as likely to default on their loans compared to their graduating counterparts. That finding is an increase from an earlier longitudinal study where default rates were three times higher for those who didn't graduate.

AT: Student loans damage mental health.

Argument: The economic impacts of student loan forgiveness cause worse mental health outcomes.

1. **Student debt cancellation would cause significant inflation. Committee for a Responsible** **[Federal Budget 22']** The student debt changes will increase inflation in three ways – by reducing the amount of income households use to pay down debt over the next year, by increasing household wealth, and by putting upward pressure on tuition costs. The changes will end payments for four months for all borrowers and in perpetuity for nearly half of them, thereby boosting household cash flow. student debt payments over the next 12 months will be roughly $50 billion lower as a result of the announced changes. consumers will spend a portion of that higher wealth – about 3 to 6 percent – on new or accelerated purchases. 2 to 5 percent is spent over the first year. Consistent with our estimates of the output effect of debt cancellation, we assume households will behave as if their wealth has increased by the full amount of cancelled debt. cancellation may drive up tuition prices by creating the expectation of future debt cancellation, thereby increasing willingness to borrow among prospective students. these effects can lead students and parents to be less sensitive to the cost of tuition, which could encourage colleges and universities to further hike tuition and fees. Importantly, our analysis does not account for these effects.
2. **Inflation worsens mental health problems more than any other type of financial trouble.** **[Willie 23']** Worries about money are taking a toll on Americans, leading to some negative impacts on their mental health. 52% of respondents listed money as the thing that takes the biggest toll on their mental health, compared with 42% who blamed worries about their own health and 41% who listed current events as their top concern. compares with 42% of U.S. adults who said money was their top concern last year. The results come ahead of Wednesday's inflation report, which is predicted to show year-on-year price increases stayed at 5% for the second consecutive month through April. the inflation rate is likely to come in ahead of that figure given recent increases in used car prices and ongoing wage hikes. Within the "money" category in Bankrate's survey, concerns about inflation ranked the most stress-inducing, with 68% naming high prices as their biggest worry.

3. **Impact: Student loan forgiveness would worsen health outcomes, increase substance use, and potentially increase suicide rates.** **[Melillo 22’](https://thehill.com/changing-america/well-being/mental-health/3570831-a-looming-recession-threatens-americans-already-precarious-mental-health/)** In the past, recessions and economic strife have been linked with worsened mental health outcomes, higher rates of substance use and, in some cases, increased suicide rates. Now, as the nation already grapples with heightened inflation, the threat of a recession and any lingering effects of the COVID-19 pandemic, the United States’ mental health care system finds itself understaffed and poorly positioned to meet any additional demand. “The mental health system has yet to be able to meet the demand of communities since its beginnings,” said Benjamin Miller, a psychologist and president of Well Being Trust in an interview with Changing America. “We’re always playing catch up.” The Well Being Trust is a foundation that works to advance Americans’ mental, social and spiritual health with a specific goal aimed at addressing deaths of despair. The term “deaths of despair” was first coined by economists Anne Case and Angus Deaton who began researching the reversal of life expectancy gains seen around the year 2000. These deaths were largely driven by alcohol-related liver disease, drug overdoses and suicides, and were concentrated among middle-aged, white American men with less than a four-year college education.

Analysis: During weighing, point out that you access the same impact but it is applied to a greater number of people since every consumer and producer (domestically and, arguably, globally) is impacted by this, while only loan recipients are affected by Pro case. Be wary of attacks on the specificity of the impact since it is not absolutely clear that inflation-induced mental health issues have negative impacts on things like suicide rates.

Warrant: Student debt cancellation would cause significant inflation.
Committee for a Responsible Federal Budget. “Student Debt Changes Would Boost Inflation.” Other Spending: Economics, 26 Aug. 2022.
https://www.crfb.org/blogs/student-debt-changes-would-boost-inflation.
The student debt changes will increase inflation in three ways – by reducing the amount of income households use to pay down debt over the next year, by increasing household wealth, and by putting upward pressure on tuition costs. The changes will end payments for four months for all borrowers and in perpetuity for nearly half of them, thereby boosting household cash flow. Most remaining borrowers will see lower payments as a result of reduced debt burden and – ultimately – changes to the IDR program. Overall, we estimate student debt payments over the next 12 months will be roughly $50 billion lower as a result of the announced changes. We assume the debt cancellation will be distributionally similar to COVID rebate checks and thus have a similar consumption multiplier of 0.5x to 0.6x; the consumption multiplier for the overall pause will be substantially lower. The changes will also boost household net wealth by $10,000 or $20,000 per borrower in many cases. The economic literature suggests consumers will spend a portion of that higher wealth – about 3 to 6 percent – on new or accelerated purchases. Our analysis assumes 2 to 5 percent is spent over the first year. Consistent with our estimates of the output effect of debt cancellation, we assume households will behave as if their wealth has increased by the full amount of cancelled debt. However, we assume no wealth effect from higher promised future forgiveness under the IDR program. Finally, debt cancellation may drive up tuition prices by creating the expectation (and in the case of IDR, promise) of future debt cancellation, thereby increasing willingness to borrow among prospective students. Studies have shown that these effects can lead students and parents to be less sensitive to the cost of tuition, which could encourage colleges and universities to further hike tuition and fees. Importantly, our analysis does not account for these effects.

Warrant: Inflation worsens mental health problems more than any other type of financial trouble.
Wile, Rob. “More Americans are so worried about money it’s hurting their mental health.” NBC News, 9 May 2023.
https://www.nbcnews.com/business/consumer/financial-wealth-and-mental-health-americans-worried-about-money-rcna83569.
Worries about money are taking a toll on Americans, leading to some negative impacts on their mental health. That's according to a new survey from the financial information group Bankrate. The survey found 52% of respondents listed money as the thing that takes the biggest toll on their mental health, compared with 42% who blamed worries about their own health and 41% who listed current events as their top concern. The latest finding compares with 42% of U.S. adults who said money was their top concern last year. Mental health distress can manifest in many ways. For the Bankrate survey, that definition includes feelings of anxiety, stress, worried thoughts, difficulty sleeping and depression. The results come ahead of Wednesday’s inflation report, which is predicted to show year-on-year price increases stayed at 5% for the second consecutive month through April. Still, some analysts say the inflation rate is likely to come in ahead of that figure given recent increases in used car prices and ongoing wage hikes. That money-induced stress is also unfolding at a time when more American adults are confronting financial disaster, including upticks in car repossessions and home foreclosures. Within the "money" category in Bankrate's survey, concerns about inflation ranked the most stress-inducing, with 68% naming high prices as their biggest worry. As many as 60% of the people who responded said they were concerned about paying for everyday expenses, while 56% said lacking emergency funds has them on edge.

Impact: Student loan forgiveness would worsen health outcomes, increase substance use, and potentially increase suicide rates.
Melillo, Gianna. “A looming recession threatens Americans’ already precarious mental health.” The Hill, 23 Jul. 2022.
https://thehill.com/changing-america/well-being/mental-health/3570831-a-looming-recession-threatens-americans-already-precarious-mental-health/
In the past, recessions and economic strife have been linked with worsened mental health outcomes, higher rates of substance use and, in some cases, increased suicide rates. Now, as the nation already grapples with heightened inflation, the threat of a recession and any lingering effects of the COVID-19 pandemic, the United States’ mental health care system finds itself understaffed and poorly positioned to meet any additional demand. “The mental health system has yet to be able to meet the demand of communities since its beginnings,” said Benjamin Miller, a psychologist and president of Well Being Trust in an interview with Changing America. “We’re always playing catch up.” The Well Being Trust is a foundation that works to advance Americans’ mental, social and spiritual health with a specific goal aimed at addressing deaths of despair. The term “deaths of despair” was first coined by economists Anne Case and Angus Deaton who began researching the reversal of life expectancy gains seen around the year 2000. These deaths were largely driven by alcohol-related liver disease, drug overdoses and suicides, and were concentrated among middle-aged, white American men with less than a four-year college education.

AT: Economic Redistribution.

Answer: Debt forgiveness doesn't support economic redistribution

1. **Horsley 22'** Forgiving loans would effectively transfer hundreds of billions of dollars in debt from individuals and families to the federal government, and ultimately, the taxpayers. Some believe that transfer effectively penalizes people who scrimped and saved to pay for college, as well as the majority of Americans who don't go to college. They might not mind subsidizing a newly minted social worker, making $25,000 a year. But they might bristle at underwriting debt relief for a business school graduate who's about to go to Wall Street and earn six figures.
2. **Student loan forgiveness benefits the wealthy Friedman 22'** First, Blunt notes that more than 80% of Americans don't have student loans. Why? They either paid off student loan debt or never went to college. There are approximately 45 million student loan borrowers and approximately 250 million adult Americans. Notably, 60% of student loan debt is held by households that earn more than $74,000 of income annually. According to Blunt, student loan forgiveness disproportionately benefits wealthier Americans. Blunt notes that having the opportunity to attend college and earn a college degree, is an asset that on average leads to higher income. As an alternative to student loan forgiveness, Blunt would rather have Congress increase Pell Grants to lower the cost of college for students who are financially vulnerable. "The top 40% of American households hold 60% of the student loans," Blunt said. "The bottom 40% have less than 20% of the student loans. If you were going to talk about this at all, maybe you ought to talk about—maybe we should be talking about the bottom 40% of incomes, not the essentially the top 40% of incomes.
3. **Student loan borrowers more likely to be white and highly educated Looney 21'** Student loan borrowers are more likely to be white and highly educated. they are about 70 percent more likely to have a BA and twice as likely to have a graduate degree. In contrast, households that benefit from federal programs, like SNAP, the EITC, SSI, or Medicaid, are more likely to be Black or Hispanic, and have much lower levels of educational attainment; few have gone to college, and almost none have a graduate degree. For reference, among all households, the Census reports that 66 percent identify as white, 13 percent Black or African American, and 14 percent as Hispanic. About 42 percent have a BA and 18 percent a graduate degree. In short, beneficiaries of across-the-board student loan forgiveness would be higher income, better educated,

and more likely to be white than beneficiaries of just about all other programs designed to reduce hardship and promote opportunity and targeted to those who need help.

Debt forgiveness doesn’t support economic redistribution
Scott Horsley, August 22, 2022, NPR, Is it fair to forgive student loans? Examining 3 of the arguments of a heated debate,
https://www.npr.org/2022/08/28/1119687223/student-loans-debt-forgiveness-pell-grants-biden-inflation
Another big point of contention has to do with fairness. Forgiving loans would would effectively transfer hundreds of billions of dollars in debt from individuals and families to the federal government, and ultimately, the taxpayers. Some believe that transfer effectively penalizes people who scrimped and saved to pay for college, as well as the majority of Americans who don't go to college. They might not mind subsidizing a newly minted social worker, making $25,000 a year. But they might bristle at underwriting debt relief for a business school graduate who's about to go to Wall Street and earn six figures.

Student loan forgiveness benefits the wealthy
Friedman, June 20, 2022, Zack Friedman is the Founder & CEO of Mentor (mentormoney.com), a leading online financial marketplace where you can shop for loan, 5 Reasons Why Student Loan Forgiveness Is A Bad Idea,
https://www.forbes.com/sites/zackfriedman/2022/06/20/5-reasons-why-student-loan-forgiveness-is-a-bad-idea/?sh=2854a641c999
First, Blunt notes that more than 80% of Americans don’t have student loans. Why? They either paid off student loan debt or never went to college. There are approximately 45 million student loan borrowers and approximately 250 million adult Americans. Notably, 60% of student loan debt is held by households that earn more than $74,000 of income annually. According to Blunt, student loan forgiveness disproportionately benefits wealthier Americans. Are there individual student loan borrowers who are struggling financially? Certainly. However, Blunt notes that having the opportunity to attend college and earn a college degree, is an asset that on average leads to higher income. As an alternative to student loan forgiveness, Blunt would rather have Congress increase Pell Grants to lower the cost of college for students who are financially vulnerable. “The top 40% of American households hold 60% of the student loans,” Blunt said. “The bottom 40% have less than 20% of the student loans. If you were going to talk about this at all, maybe you ought to talk about—maybe we should be talking about the bottom 40% of incomes, not the essentially the top 40% of incomes, [with]

Student loan borrowers more likely to be white and highly educated
Adam Looney, Nonresident Senior Fellow - Economic Studies, Executive Director, Marriner S. Eccles Institute, University of Utah, ,Putting student loan forgiveness in perspective: How costly is it and who benefits?, February 21, 2021,
https://www.brookings.edu/articles/putting-student-loan-forgiveness-in-perspective-how-costly-is-it-and-who-benefits/
In terms of demographics and educational attainment, households with student debt largely mirror the characteristics of households in the population at large, except they are better educated. Student loan borrowers are more likely to be white and highly educated. Indeed, among those making payments on student loans the fraction of households that are white is the same as in the population at large, but they are about 70 percent more likely to have a BA and twice as likely to have a graduate degree. In contrast, households that benefit from federal programs, like SNAP, the EITC, SSI, or Medicaid, are more likely to be Black or Hispanic, and have much lower levels of educational attainment; few have gone to college, and almost none have a graduate degree. For reference, among all households, the Census reports that 66 percent identify as white, 13 percent Black or African American, and 14 percent as Hispanic. About 42 percent have a BA and 18 percent a graduate degree. In short, beneficiaries of across-the-board student loan forgiveness would be higher income, better educated, and more likely to be white than beneficiaries of just about all other programs designed to reduce hardship and promote opportunity and targeted to those who need help.

AT: Deficit Spending, not debt

Deficit spending by definition factors in either way, weighs the same as traditional debt.

1. By definition: Deficit spending occurs when the federal government spends more than it collects. The national debt is increased by each budget deficit.

AT: Teachers

The biggest burden for educators is low pay, which is not fixed by student loans.

1. **The biggest issue right now for teachers is the pay.** **Sherratt 21’** With 71% of the public reporting that teacher pay is too low, recent Frontline & EdWeek data showing teacher shortages in one-half to two-thirds of districts.

2. **Long term impacts of inflation will make teacher’s jobs harder, by increasing debt while their pay stays the same.** **Smith 22’** As high prices continue to stress wallets, nearly 3 out of 5 consumers say they worry that student loan forgiveness will worsen inflation.

Blocks to Negative (AT NEG)

AT: Debt forgiveness is expensive.

Turn → Debt cancellation is good for the economy

1. **Student debt reduces spending** [**Staff 23’**](https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf) Student loans are one of the highest sources of debt for Americans—second only to mortgages. Across the country, more than 40 million people collectively carry over $1.5 trillion in student loan debt. On average, student loan borrowers aged 18–39 spend more than 20 percent of their monthly income on student loan payments, or $579 out of a monthly income of $2,689. These high monthly payments lead to devastating financial precarity. Notably, 65 percent of student loan borrowers report having less than $1,000 in their bank account, struggling to afford short-term expenses, and being unable to save long-term.
2. **Debt cancellation will be good for the economy** **Staff 23’** Freeing up funds through debt cancellation would allow millions of borrowers to spend into the broader economy. Short-term consumption levels could be boosted by as much as 4 percent, increasing real GDP by between $86 billion and $108 billion over 10 years. New economic activity generated by debt cancellation would reduce the unemployment rate between 0.22 and 0.36 percentage points over the next decade.
3. **Forgiving debt will allow Americans to make different life choices** **Arnold 19’** The reason debt forgiveness could have a big impact on the overall economy is that a generation of Americans is making major life decisions differently because of student loans. "Children, it's not about if you want them," says Laura Greenwood in Montpelier, Vt. "It's about can you afford them?"
4. **Forgiving debt will add to the GDP** **Arnold 19’** The effects would go beyond the housing market. William Foster is a vice president with Moody's, which just did a report on student debt forgiveness. "There've been some estimates that U.S. real GDP could be boosted on average by $86 billion to $108 billion per year," which is "quite a bit," he says. "That's if you had total loan forgiveness. Foster says it wouldn't have to be total forgiveness to see significant results. And he says it could also help address rising income inequality.

Analysis: This is a good response because it shows that in the long run, student debt relief is a smart financial move. Force your opponent to justify a myopic short-termism instead of looking at the whole picture.

Warrant: Student debt reduces spending
Staff. “How Cancelling Student Debt Can Boost the Economy.” Roosevelt Institute, 27 July 2023,
https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf
`Student loans are one of the highest sources of debt for Americans—second only to mortgages. Across the country, more than 40 million people collectively carry over $1.5 trillion in student loan debt. On average, student loan borrowers aged 18–39 spend more than 20 percent of their monthly income on student loan payments, or $579 out of a monthly income of $2,689. These high monthly payments lead to devastating financial precarity. Notably, 65 percent of student loan borrowers report having less than $1,000 in their bank account, struggling to afford short-term expenses, and being unable to save long-term. Black students, in particular, bear the brunt of this debt burden. They borrow more often and in larger amounts to attend school, and then graduate into a discriminatory job market that makes it more difficult to pay down those debts. Ninety percent of Black students and 72 percent of Latinx students take out loans for college, but just 66 percent of white students do. One study found that 20 years after starting college, the median white borrower’s debt has been reduced by 94 percent, while the median Black borrower still owes 95 percent of their original balance.

Warrant: Debt cancellation will be good for the economy
Staff. “How Cancelling Student Debt Can Boost the Economy.” Roosevelt Institute, 27 July 2023,
https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf

Freeing up funds through debt cancellation would allow millions of borrowers to spend into the broader economy. Short-term consumption levels could be boosted by as much as 4 percent, increasing real GDP by between $86 billion and $108 billion over 10 years. New economic activity generated by debt cancellation would reduce the unemployment rate between 0.22 and 0.36 percentage points over the next decade. Debt cancellation could also boost entrepreneurship and small business creation, a driver of economic growth. The number of young entrepreneurs is in steep decline, and the share of start-ups founded by millenials has been cut in half over the last 20 years. Of that age group, 50 percent reported that student loans affected their ability to start a business. In total, debt burdens resulted in an estimated two million fewer businesses being formed between 2006 and 2015.

Warrant: Forgiving debt will allow Americans to make different life choices
Arnold, Chris. "Forgiving Student Debt Would Boost Economy, Economists Say." NPR, November 2019.
https://www.npr.org/2019/11/25/782070151/forgiving-student-debt-would-boost-economy
The reason debt forgiveness could have a big impact on the overall economy is that a generation of Americans is making major life decisions differently because of student loans. "Children, it's not about if you want them," says Laura Greenwood in Montpelier, Vt. "It's about can you afford them?" Greenwood works for the state education agency. She's 30 years old and makes $63,000 a year. "I make probably a better salary than a lot of my peers." Laura Greenwood in Montpelier, Vt., says she can't afford to start a family because of her student loan debt. But after paying for college and grad school, Greenwood owes $96,000 in student loans. And she says that's got her and her partner feeling frozen. "Yeah. It's always, we're interested in having kids, but just cost of living and all our other bills and then the student loans, it's just like the final straw." She says it makes starting a family feel impossible.

Warrant: Forgiving debt will add to the GDP
Arnold, Chris. "Forgiving Student Debt Would Boost Economy, Economists Say."NPR, November 2019.
https://www.npr.org/2019/11/25/782070151/forgiving-student-debt-would-boost-economy
The effects would go beyond the housing market. William Foster is a vice president with Moody's, which just did a report on student debt forgiveness. "There've been some estimates that U.S. real GDP could be boosted on average by $86 billion to $108 billion per year," which is "quite a bit," he says. "That's if you had total loan forgiveness." Foster says it wouldn't have to be total forgiveness to see significant results. And he says it could also help address rising income inequality.

AT: Debt forgiveness should be targeted.

Delink → Student debt relief is not a bailout for the rich.

1. **Student loan debt impacts people’s life choices.** [Tyson 23’](https://www.pewresearch.org/short-reads/2023/08/09/what-the-data-says-about-americans-views-of-climate-change/) While the median income of student borrowers does exceed that of non-borrowers, it’s not the full story. It stands to reason that people who took out loans to earn a degree would make more money than those who never earned a degree at all. And the Americans who hold the largest amounts of debt tend to have accrued it from graduate professional programs, like medical and law schools, that lead to high-paying jobs. The average amount of undergraduate debt, however, is a little less than $30,000, and a drop in the balance by $10,000 or $20,000 could be transformative for the middle class.
2. **Student loan forgiveness will help the less wealthy** [Whizy 21’](https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people) Canceling $50,000 of student debt wouldn't disproportionately help rich college grads. Canceling $50K would help more low-income people, to a larger degree, than canceling just $10K would. The myth can only appear true through a mixture of errors and omissions, like considering only income instead of net worth, including private debt (the cancellation plan only targets federal student loans), and by failing to separate how much student debt people have broken down by both race and net worth.
3. **Student debt relief helps marginalized groups** [Whizy 21’](https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people) 17% of all white Americans have student debt, while 27% of all Black Americans do. It ignores that te average student debt per person for white adults is about $4,962, while for Black adults the per person amount is $7,407.

Analysis: Use this response to show the judge that the benefits of student loan forgiveness flow to those who need it. It is worth helping a few wealthy people if most of the beneficiaries are genuinely needy.

Warrant: Student loan debt impacts people’s life choices.
Tyson, Alec et al. “What the data says about Americans’ views of climate change.” Pew Research Center, 9 Aug. 2023,
https://www.pewresearch.org/short-reads/2023/08/09/what-the-data-says-about-americans-views-of-climate-change/
While the median income of student borrowers does exceed that of non-borrowers, it’s not the full story. It stands to reason that people who took out loans to earn a degree would make more money than those who never earned a degree at all. And the Americans who hold the largest amounts of debt tend to have accrued it from graduate professional programs, like medical and law schools, that lead to high-paying jobs. The average amount of undergraduate debt, however, is a little less than $30,000, and a drop in the balance by $10,000 or $20,000 could be transformative for the middle class. Research shows that student loan debt is one of the biggest barriers to getting married and owning a home. When asked by TIME to clarify the studies backing up McConnell’s claim that the highest earners would gain the most from student loan forgiveness, a spokesperson cited a University of Chicago study, saying it “found that if the federal government forgave $50,000 per borrower, the bottom 20% of earners would get 8.5% of the benefit. The top 20% of earners would get 22% of total debt wiped out.”

Warrant: Student loan forgiveness will help the less wealthy
Kim, Whizy. “Canceling Student Debt Doesn’t Help Rich People. Is That Why They Hate It So Much?.” Refinery29, July 2021.
https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people
But a recent paper published by the Roosevelt Institute shows that Biden's "worry" is, in fact, unfounded: Canceling $50,000 of student debt wouldn't disproportionately help rich college grads. Canceling $50K would help more low-income people, to a larger degree, than canceling just $10K would. This might seem as obvious as the pope's religious denomination, but as long as the president and other lawmakers claim that student debt cancelation would only funnel more money to those who already have it, it's worth debunking. The paper notes that this myth operates on the idea that borrowers with higher educational attainment tend to have more debt in sheer dollar amounts, which they'll be able to pay off with the higher salaries they earn. But the myth can only appear true through a mixture of errors and omissions, like considering only income instead of net worth, including private debt (the cancelation plan only targets federal student loans), and by failing to separate how much student debt people have broken down by both race and net worth.

Student debt relief helps marginalized groups
Kim, Whizy. “Canceling Student Debt Doesn’t Help Rich People. Is That Why They Hate It So Much?.” Refinery29, July 2021.
https://www.refinery29.com/en-us/2021/06/10524973/canceling-student-debt-rich-people
For example, previous studies have looked at total student debt among borrowers rather than comparing the share of debt held by different demographic groups compared to their proportion of the U.S. population. The paper uses the example of a statistic that says white borrowers hold almost 70% of the student loan debt eligible for cancelation. This only sounds astounding when you ignore what proportion white people make up of the population, and the fact that far fewer white Americans leave school with debt in the first place: 17% of all white Americans have student debt, while 27% of all Black Americans do. It ignores that the average student debt per person for white adults is about $4,962, while for Black adults the per person amount is $7,407.

AT: Debt forgiveness helps the rich.

Delink→ Universal programs are better than targeted programs

1. **Targeted relief would be unpopular.** **Kidd 21'** Poverty targeting is often very unpopular and creates social conflict in communities, with the excluded – many of whom live in

deep poverty – becoming jealous of those that are lucky enough to be included (many of whom are richer).

2. **Targeting creates administrative bloat [Kidd 21’]** Schemes targeting the poor are complex and, therefore, administratively expensive. In contrast, the simple criteria of universal programmes makes them significantly cheaper to implement. Furthermore, if sufficient administrative resources are not invested in poverty targeting, corruption is likely to be the result. Many poverty targeted schemes in Bangladesh and India, for example, are blighted by corruption and the exploitation of schemes for patronage purposes by local elites.
3. **Americans support Biden’s debt relief plan** [Galston 22’] Every survey has shown majority but not overwhelming support for President Biden’s plan to reduce the burden of student loan debt.
4. **Support is especially high among minority groups** [Galston 22’] The two most recent polls, Quinnipiac and The Economist/YouGov, put support among registered voters at 51 percent and 52 percent, respectively. Support among Hispanic and Black voters was substantially stronger, as was support among voters under age 50.

Analysis: This is a good response because it shows that debt forgiveness is broadly popular and that Americans will support more than just a small, targeted program.

Warrant: Targeted relief would be unpopular.
Kidd, Stephen. “Social Protection : universal provision is more effective than poverty targeting.” ID4D, July 2021.
https://ideas4development.org/en/social-protection-universal-provision-is-more-effective-than-poverty-targeting/
Poverty targeting is often very unpopular and creates social conflict in communities, with the excluded – many of whom live in deep poverty – becoming jealous of those that are lucky enough to be included (many of whom are richer). The proxy means test targeting mechanism – which is increasingly common in developing countries – is particularly arbitrary in its selection, exacerbating the sense of unfairness within communities (see Kidd and Wylde 2011 for further information). Indeed, there are examples of the proxy means test causing riots and attacks on government buildings. In contrast, universal programmes – which are often regarded as entitlements – are very popular and strongly supported within communities, since they are offered on an equal basis to everyone.

Warrant: Targeting creates administrative bloat
Kidd, Stephen. “Social Protection : universal provision is more effective than poverty targeting.” ID4D, July 2021.
https://ideas4development.org/en/social-protection-universal-provision-is-more-effective-than-poverty-targeting/
Schemes targeting the poor are complex and, therefore, administratively expensive. In contrast, the simple criteria of universal programmes makes them significantly cheaper to implement. Furthermore, if sufficient administrative resources are not invested in poverty targeting, corruption is likely to be the result. Many poverty targeted schemes in Bangladesh and India, for example, are blighted by corruption and the exploitation of schemes for patronage purposes by local elites.

Warrant: Americans support Biden’s debt relief plan
Galston, Wilson. “Do Americans Support President Biden’s Student Loan Plan.” Brookings, September 2022,
https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/
A majority of voters believe that there were compelling reasons for the president to act. Two thirds say that student loan debt is a serious problem, and more than six in 10 say that it is preventing young people from buying homes and having children. Sixty-three percent see student loan debt relief as lightening financial burdens, especially on low- income households. Every survey has shown majority but not overwhelming support for President Biden’s plan to reduce the burden of student loan debt.

Warrant: Support is especially high among minority groups
Galston, Wilson. “Do Americans Support President Biden’s Student Loan Plan.” Brookings, September 2022,
https://www.brookings.edu/articles/do-americans-support-president-bidens-student-loan-plan/
The two most recent polls, Quinnipiac and The Economist/YouGov, put support among registered voters at 51 percent and 52 percent, respectively. Support among Hispanic and Black voters was substantially stronger, as was support among voters under age 50. Among swing voters, moderate and suburban voters gave the plan majority support while Independents were about evenly divided. Women are significantly more favorable to the plan than men, and the gender gap is especially large among white Americans.

AT: Debt forgiveness doesn’t solve the problem.

Delink → Debt forgiveness will not increase costs

1. **College costs are increasing for other reasons** **Dickler 21'** Deep cuts in state funding for higher education have contributed to significant tuition increases and pushed more of the costs of college onto students, according to an analysis by the Center on Budget and Policy Priorities, a nonpartisan research group based in Washington, D.C.
2. **Costs are a function of expenses** **Dickler 21'** "We're not getting more money from the state, and the market wants us to charge less," Wingard said, but "every single cost is going through the roof," he noted, referring to the rising expense of faculty, buildings and maintenance, books and materials, technology and cyber security.
3. **Loan forgiveness will not generally increase prices.** **Ngo 22'** Michael Pugliese, an economist at Wells Fargo, said he expected the policy to likely only have a marginal effect on inflation since borrowers aren't actually gaining cash, but rather seeing an increase in their wealth. People might be inclined to spend more if they received a check in the mail or if their annual salary increased, he said, but it's unclear how dramatically people would increase their spending if they had less student loan debt to pay off.

Analysis: Use this response to demonstrate that any price effects of student loan forgiveness are modest and swamped by the non unique pressures on college prices that flow from other factors.

Warrant: College costs are increasing for other reasons
Dickler, Jessica. "With or without federal student loan forgiveness, colleges must tackle affordability crisis, experts say." CNBC, July 2021.
https://www.cnbc.com/2022/08/09/with-or-without-student-loan-forgiveness-college-still-costs-too-much.html
A college education is now the second-largest expense an individual is likely to make in a lifetime — right after purchasing a home. But it wasn't always that way. Deep cuts in state funding for higher education have contributed to significant tuition increases and pushed more of the costs of college onto students, according to an analysis by the Center on Budget and Policy Priorities, a nonpartisan research group based in Washington, D.C. Schools are under continued pressure cut costs, admit more students who need less aid or raise tuition. This year, some colleges are hiking tuition as much as 5%, citing inflation and other concerns.

Warrant: Costs are a function of expenses
Dickler, Jessica. "With or without federal student loan forgiveness, colleges must tackle affordability crisis, experts say." CNBC, July 2021.
https://www.cnbc.com/2022/08/09/with-or-without-student-loan-forgiveness-college-still-costs-too-much.html
"We're not getting more money from the state, and the market wants us to charge less," Wingard said, but "every single cost is going through the roof," he noted, referring to the rising expense of faculty, buildings and maintenance, books and materials, technology and cyber security. "It's impossible to do that." "We need to make sure education is more affordable for students," he added. "If the government can't help make education more affordable, then students are going to stop considering higher education as a viable choice, as a valuable choice.

Warrant: Loan forgiveness will not generally increase prices.
Ngo, Madeline. "Will student loan forgiveness make inflation worse?." Vox, August 2022.
https://www.vox.com/2022/8/25/23320825/student-loan-debt-forgiveness-inflation
Michael Pugliese, an economist at Wells Fargo, said he expected the policy to likely only have a marginal effect on inflation since borrowers aren't actually gaining cash, but rather seeing an increase in their wealth. People might be inclined to spend more if they received a check in the mail or if their annual salary increased, he said, but it's unclear how dramatically people would increase their spending if they had less student loan debt to pay off. Economists at Goldman Sachs and Moody's Analytics have also predicted that the policy will likely have a minor impact on inflation in the near term. "We would expect the effects on inflation to be similarly small," Goldman Sachs economists wrote in a note on Thursday. "However, the end of the payment pause and the resumption of monthly payments looks likely to more than fully offset the small boost to consumption from the debt relief program."

AT: Debt forgiveness is unfair to taxpayers.

Turn ⟶ Debt forgiveness is not unfair to taxpayers

1. **A diverse array of people hold student loans, not just the young.** **Nelson 23'** The lines between those who will benefit from debt forgiveness and those who are left on the sidelines are blurrier than blue-collar versus white-collar, working-class versus

middle-class, old versus young. One in five people with outstanding student loans is over age 50, some of whom likely borrowed on their own behalf (including those who pursued graduate degrees) and some of whom took out loans to pay for their children's education.

2. **Other government programs are not held to a fairness standard** **Nelson 23'** The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits. Forgiveness could be life-changing for millions of people, especially those struggling with default, the argument goes, while hurting no one.
3. **Colleges trick students into taking loans.** **Benz 22'** Colleges recruit and encourage attendance and help to secure loans, some using pie in the sky hard-sell tactics. Few 18-year-olds have solid experience in making logical and reality based decisions. Consequently 40% learn a lesson that can devastate their credit score and take a chunk of their small paycheck for years.
4. **There is no reason to be punitive towards people who could not complete college.** **Benz 22'** Drop out statistics are staggering. Fifty percent of community college students drop out and 89% of first generation college students from poor families drop out. These are the ones that will benefit most from this proposal. Yes, decisions have consequences but not all irresponsibility deserves punitive punishment.

Analysis: This response pushed the judge to reconsider what makes public policy "fair." Every public policy has a group of intended beneficiaries. Why are college students, graduates, and dropouts less deserving than any other group?

Warrant: A diverse array of people hold student loans, not just the young.
Nelson, Libby. "The "fairness" debate over student loan forgiveness, explained." Vox, 22 Mar. 2023,
https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation
Biden's plan is intended to fit the reality of the student loan program as it exists today. The lines between those who will benefit from debt forgiveness and those who are left on the sidelines are blurrier than blue-collar versus white-collar, working-class versus middle-class, old versus young. One in five people with outstanding student loans is over age 50, some of whom likely borrowed on their own behalf (including those who pursued graduate degrees) and some of whom took out loans to pay for their children's education. Many student debtors are no longer young adults starting at a four-year college; they're older and more likely to attend a community college or for- profit program. An analysis by Mark Huelsman, director of policy and advocacy at the Hope Center for College, Community and Justice at Temple University, found that almost 40 percent of those who entered college in the 2011-12 school year and took on student debt never earned a credential.

Warrant: Other government programs are not held to a fairness standard
Nelson, Libby. "The "fairness" debate over student loan forgiveness, explained." Vox, 22 Mar. 2023,
https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation
Forgiveness will be especially helpful to those in default — the terrifying Upside Down of the financial aid system, where, after at least 9 months of missed payments, the Education Department can garnish wages and even Social Security checks in order to get its money back. The typical defaulter did not graduate and owes just under $10,000. There are other versions of the fairness argument circulating. One holds that forgiveness is unfair to those who borrowed but paid off their debts — an argument that could be raised against any social program on behalf of those who were born too early to benefit from it. The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits. Forgiveness could be life-changing for millions of people, especially those struggling with default, the argument goes, while hurting no one.

Warrant: Colleges trick students into taking loans.
Benz, Charles. "The unfair criticism of the unfair student loan forgiveness." Tallahassee Democrat, 22 Mar. 2022,
https://www.tallahassee.com/story/opinion/2022/09/05/unfair-criticism-unfair-student-loan-forgiveness-opinion/7969317001/
Colleges recruit and encourage attendance and help to secure loans, some using pie in the sky hard-sell tactics. Few 18-year-olds have solid experience in making logical and reality based decisions. Consequently 40% learn a lesson that can devastate their credit score and take a chunk of their small paycheck for years. What are not being talked about are those with debt but no degree. Cancelling their debt could improve their credit score and free up some of their paycheck to advance their potential. Maybe such a person wants to start a lawn business or become a mechanic or hair stylist, but can't afford to get training or secure a loan to buy equipment because of his or her credit score. That's 40% of those being forgiven. They make up the largest share of the 20 million who have less than $20,000 in debt.

Warrant: There is no reason to be punitive towards people who could not complete college.
Benz, Charles. "The unfair criticism of the unfair student loan forgiveness." Tallahassee Democrat, 22 Mar. 2022,
https://www.tallahassee.com/story/opinion/2022/09/05/unfair-criticism-unfair-student-loan-forgiveness-opinion/7969317001/

In fact, a substantial number of those having debts forgiven dropped out after a year or two. Drop out statistics are staggering. Fifty percent of community college students drop out and 89% of first generation college students from poor families drop out. These are the ones that will benefit most from this proposal. Yes, decisions have consequences but not all irresponsibility deserves punitive punishment. The pressure and draw of college for high school graduates is strong. Parental and peer pressure, fantasy of status and wealth and unwarranted belief that the rigors of college are no harder than high school.

AT: Debt forgiveness trades off with other social welfare programs.

1. **Biden's budget proposal expands Medicare funding in the long term, proves that these two goals can coexist. Briefing Room 23'** The proposals in the President's Budget would extend the solvency of Medicare's Hospital Insurance (HI) Trust Fund by at least 25 years, the Medicare Office of the Chief Actuary estimates. While the most recent Medicare Trustees Report projected that the HI Trust Fund would be insolvent in 2028, the President's Budget would extend solvency at least into the 2050s. The Budget extends the life of Medicare by: Modestly increasing the Medicare tax rate on income above

$400,000. The Budget proposes to increase the Medicare tax rate on earned and unearned income above $400,000 from 3.8 percent to 5 percent.

2. **Funding for food stamps has only increased in the past year (due to a policy passed by Republicans).** **[Bustillo 23’](https://www.npr.org/2023/06/02/1179633624/snap-food-assistance-work-requirements-congress-debt-ceiling)** The changes would slightly increase the number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period.
3. **Student loan forgiveness would be funded through the deficit, not budget cuts.** **Gurudatt 23’** That plan would have forgiven $10,000 to $20,000 of debt for people earning less than $125,000 ($250,000 for married couples), which would have increased the deficit by more than $330 billion.
4. **Student loan forgiveness boosts the economy and generates capital flow.** **Roosevelt Institute 22’** Canceling student debt provides an immediate financial boost: increasing borrowers’ freedom and mobility; allowing them to change jobs, pay down debts, or move; and increasing average yearly pay by $3,000 over a 10-year period. Student debt has led to a 20 percent decline in homeownership among young adults. Cancellation could help reverse this trend. Projections show that canceling $50,000 in student loan debt could increase Black household wealth by up to 40 percent. Black young adults hold 10.4 percent less wealth than white young adults as a result of student debt, fueling the racial wealth gap.

Analysis: The biggest flaw in this argument is that the neg cannot prove where the funding will come from. Based on recent increases in funding for welfare programs, it is unlikely those programs will experience cuts. Also, the argument can be turned with the logic that student loan forgiveness helps the economy.

Warrant: Biden’s budget proposal expands Medicare funding in the long term, proves that these two goals can coexist.

Briefing Room. “FACT SHEET: The President’s Budget: Extending Medicare Solvency by 25 Years or More, Strengthening Medicare, and Lowering Health Care Costs”, The White House, 7 Mar 2023,
https://www.whitehouse.gov/briefing-room/statements-releases/2023/03/07/fact-sheet-the-presidents-budget-Extending-medicare-solvency-by-25-years-or-more-strengthening-medicare-and-lowering-health-care-costs
The proposals in the President’s Budget would extend the solvency of Medicare’s Hospital Insurance (HI) Trust Fund by at least 25 years, the Medicare Office of the Chief Actuary estimates. While the most recent Medicare Trustees Report projected that the HI Trust Fund would be insolvent in 2028, the President’s Budget would extend solvency at least into the 2050s. The Budget extends the life of Medicare by: Modestly increasing the Medicare tax rate on income above $400,000. The Budget proposes to increase the Medicare tax rate on earned and unearned income above $400,000 from 3.8 percent to 5 percent. Since Medicare was passed, income and wealth inequality in the United States have increased dramatically. By asking those with the highest incomes to contribute

Warrant: Funding for food stamps has only increased in the past year (due to a policy passed by Republicans).
Bustillo, Ximena. “Congress created changes to food assistance. Here's what they mean”, NPR, 2 Jun 2023,
https://www.npr.org/2023/06/02/1179633624/snap-food-assistance-work-requirements-congress-debt-ceiling.
Republicans had the goal of reducing the number of recipients and cutting spending, but a Congressional Budget Office analysis released earlier this week found the measure may do the opposite. The CBO analysis found the changes would slightly increase the number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period. That's because even with expanded work requirements for people ages 50-54, veterans and those experiencing homelessness are still exempt.

Warrant: Student loan forgiveness would be funded through the deficit, not budget cuts.
Gurudatt, Arnav, et. al. “Inconsistent Tax Treatment of Student Loan Debt Forgiveness Creates Confusion”, Tax Foundation, 10 Aug 2023,
https://taxfoundation.org/blog/student-loan-debt-forgiveness/#
The pandemic relief has been phased out over the past two years as the economy recovered, inflation rose, and the public health crisis ended, but the student loan payment pause was continually extended until the president’s student loan forgiveness plan was struck down in June. That plan would have forgiven $10,000 to $20,000 of debt for people earning less than $125,000 ($250,000 for married couples), which would have increased the deficit by more than $330 billion.

Warrant: Student loan forgiveness boosts the economy and generates capital flow.
Roosevelt Institute. “Unburdened: How Canceling Student Debt Can Boost Growth, Equity, and Innovation”, The Roosevelt Institute, 30 Aug 2022,
https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_20
Canceling student debt provides an immediate financial boost: increasing borrowers’ freedom and mobility; allowing them to change jobs, pay down debts, or move; and increasing average yearly pay by $3,000 over a 10-year period. Canceling student loan debt could help with economic opportunities by making other wealth-creating investments, such as homeownership, more feasible. Student debt has led to a 20 percent decline in homeownership among young adults. Cancellation could help reverse this trend. Projections show that canceling $50,000 in student loan debt could increase Black household wealth by up to 40 percent. Black young adults hold 10.4 percent less wealth than white young adults as a result of student debt, fueling the racial wealth gap.

AT: Debt forgiveness tanks Biden’s political capital.

Biden administration passed American Rescue Plan, proves he is able to also focus on other priorities.

Jones '23 reports,

1. “The Biden administration worked with the Centers for Disease Control and Prevention to orchestrate a nationwide vaccine rollout in early 2021. One of Biden's first acts as president was to try to get the coronavirus pandemic under control by passing the $1.9 trillion American Rescue Plan. The White House sent Americans in the low-to-medium income range a $1,400 payment to help fund basic necessities like rent and groceries. Biden also extended a $300 a week federal unemployment benefit for some 9.7 million people out of work at the time, temporarily

expanded the child tax credit program, allotted $7.25 billion for small business loans and $128 billion in grants for state educational agencies."

2. **Biden administration passed $1 trillion infrastructure bill, proves he is able to also focus on other priorities.** → "Biden signed a $1 trillion infrastructure bill into law in November 2021 that will repair the nation's roads, bridges and railways, bring high-speed internet to rural communities and more. The Bipartisan Infrastructure Law includes: $284 billion for transportation needs, which includes repairing bridges and roadways, public transit and airports, electric vehicles and low emission public transportation; $65 billion for broadband internet; $73 billion for power infrastructure; and $55 billion for clean drinking water. Biden signs the $1 trillion bipartisan infrastructure bill into law. The legislation was a major bipartisan achievement, made possible by 32 Republicans — 13 in the House and 19 in the Senate"

Bustillo '23 reports,

3. **Biden-McCarthy debt ceiling agreement actually increased social welfare accessibility, even though that was a "concession" to Republicans.** → "the changes would slightly increase the number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period."

Analysis: The success of the Biden administration in the status quo proves that his political capital is not finite, and he can pass multiple bills at once and advocate for many issues at the same time. Also, the "concessions" might not be as bad as they seem.

Answer: Biden administration passed American Rescue Plan, proves he is able to also focus on other priorities.
Jones, Dustin. "Despite infighting, it's been a surprisingly productive 2 years for Democrats", NPR, 1 Jan 2023, https://www.npr.org/2023/01/01/1143149435/despite-infighting-its-been-a-Surprisingly-productive-2-years-for-democrats
A sign advertises free COVID-19 vaccines in Washington, D.C., in May 2021. The Biden administration worked with the Centers for Disease Control and Prevention to orchestrate a nationwide vaccine rollout in early 2021. One of Biden's first acts as president was to try to get the coronavirus pandemic under control by passing the $1.9 trillion American Rescue Plan. The White House sent Americans in the low-to-medium income range a $1,400 payment to help fund basic necessities like rent and groceries. Biden also extended a $300 a week federal unemployment benefit for some 9.7 million people out of work at the time, temporarily expanded the child tax credit program, allotted $7.25 billion for small business loans and $128 billion in grants for state educational agencies. Biden teamed up with the Centers for Disease Control and Prevention to administer and track COVID-19 vaccinations across the country. The bill passed the Senate 50-49 and the House 220 to 211, both along party lines, before being signed into law by the president on March 11. While the initiatives were broadly popular with voters, critics warned the rescue plan could actually make the country's economic outlook worse.

Warrant: Biden administration passed $1 trillion infrastructure bill, proves he is able to also focus on other priorities.
Jones, Dustin. "Despite infighting, it's been a surprisingly productive 2 years for Democrats", NPR, 1 Jan 2023, https://www.npr.org/2023/01/01/1143149435/despite-infighting-its-been-a-surprisingly-productive-2-years-for-democrats

A bipartisan infrastructure bill. Just hours before President Biden visited Pittsburgh, Pa., to discuss his Infrastructure Bill, a bridge in the city's east end collapsed on Jan. 28, 2022. Biden signed a $1 trillion infrastructure bill into law in November 2021 that will repair the nation's roads, bridges and railways, bring high-speed internet to rural communities and more. The Bipartisan Infrastructure Law includes: $284 billion for transportation needs, which includes repairing bridges and roadways, public transit and airports, electric vehicles and low emission public transportation; $65 billion for broadband internet; $73 billion for power infrastructure; and $55 billion for clean drinking water. POLITICS. Biden signs the $1 trillion bipartisan infrastructure bill into law. The legislation was a major bipartisan achievement, made possible by 32 Republicans — 13 in the House and 19 in the Senate — who crossed the aisle to ensure it passed. Former President Donald Trump had pressed conservatives to vote against the bill, but key GOP leaders Lindsey Graham of South Carolina and Minority Leader Mitch McConnell of Kentucky supported the legislation.

Warrant: Biden-McCarthy debt ceiling agreement actually increased social welfare accessibility, even though that was a "concession" to Republicans.
Bustillo, Ximena. "Congress created changes to food assistance. Here's what they mean", NPR, 2 Jun 2023, https://www.npr.org/2023/06/02/1179633624/snap-food-assistance-work-requirements-congress-debt-ceiling
Republicans had the goal of reducing the number of recipients and cutting spending, but a Congressional Budget Office analysis released earlier this week found the measure may do the opposite. The CBO analysis found the changes would slightly increase the number of people in the program by .2% (or 78,000 people) due to the new exemptions. The findings also revealed something else unexpected: The changes to food stamps would actually increase federal spending by about $2.1 billion over the 2023 to 2033 period. That's because even with expanded work requirements for people ages 50-54, veterans and those experiencing homelessness are still exempt.

AT: Debt forgiveness causes tuition inflation.

Answer: Colleges aren't greedy for-profit institutions; they recognize the benefits of subsidizing costs for low-income students.

1. **Colleges aren't greedy for your money [Edelman 23']()** colleges may not be as greedy as William J. Bennett had thought. "Colleges and universities are not profit-maximizing firms," "They have other objective functions, and so they don't behave like a for-profit firm would." Institutions of higher education are moving toward no-loan programs, higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging. "I would be skeptical of thinking that they would instantly throw out that model of student cross-subsidization and decide to just raise tuition to capture the student loans and place a higher debt on the students that they are currently committed to reducing," Research has found that even when students are able to borrow large amounts, it doesn't lead to increases in tuition.

2. **Empirically, student loan forgiveness does not increase tuition.** [**Edelman 23’**](https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research) If it’s happening, it should be happening in law schools and business schools. Another factor was that students who can borrow more often still prefer to borrow as little possible. Kelchen is doubtful that the Biden administration’s changes will have much of a Bennett effect. He points out that increases in tuition have slowed in recent years. “A lot of colleges are concerned that if they raise prices, they won’t get students,” “[With] affordability as a concern, I think we’ve gotten to a point where the majority of colleges out there will struggle to increase tuition in any meaningful way.”
3. **Student loan forgiveness could decrease inflation.** [**Stiglitz 22’**](https://www.theatlantic.com/ideas/archive/2022/08/biden-student-debt-cancelation-stiglitz/671228/) Whatever your view of student-debt cancellation, the inflation argument is a red herring and should not influence policy. A closer look at the student-debt-cancellation program suggests that the new student-loan policy may even reduce inflation; at most, its inflationary impact will be minuscule, and the long- term benefits to the economy are likely to be significant. To start with, the value of the reduced debt repayments is so small that the cancellation’s impact will be negligible. In other words, this calculation treats all of the losses from debt cancellation as though they occurred right now in a single year (adjusted for inflation)—a far cry from the reality. Such an accounting procedure can be an appropriate practice for thinking about the government’s long-run balance sheet, but it is a very poor guide for understanding what actually happens to people’s spending.

Analysis: There are lots of ways to mitigate this argument: there are research studies against it, it misunderstands the motivations of colleges, and it ignores the fact that student loan forgiveness would not have a detrimental impact on the economy. These warrants/impacts should be enough to make the judge seriously doubt the validity of such an argument.

Edelman, Jon. “Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research”, Diverse Issues in Higher Education, 2 Feb 2023, https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon.
The reason, according to Kofoed, is that colleges may not be as greedy as William J. Bennett had thought. “Colleges and universities are not profit-maximizing firms,” he said. “They have other objective functions, and so they don’t behave like a for-profit firm would.” Institutions of higher education are moving toward no-loan programs, Kofoed argued, in which higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging. “I would be skeptical of thinking that they would instantly throw out that model of student cross-subsidization and decide to just raise tuition to capture the student loans and place a higher debt on the students that they are currently committed to reducing,” he said. Research has found that even when students are able to borrow large amounts, it doesn’t lead to increases in tuition.

Warrant: Empirically, student loan forgiveness does not increase tuition.
Edelman, Jon. “Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research”, Diverse Issues in Higher Education, 2 Feb 2023, https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon.
Dr. Robert Kelchen, professor and head of the department of Educational Leadership and Policy Studies at the University of Tennessee, Knoxville, did a study of graduate students, who have been able to borrow up to the full cost of attendance since the mid- 2000s. “I was going into my research expecting to find that [the Bennett hypothesis] is true,” he said. “And I was surprised. If it’s happening, it should be happening in law schools and business schools. [But,] I did not find a big increase in tuition.” Kelchen thought that perhaps schools didn’t want to be perceived as greedy, or that no school wanted to move first. Another factor was that students who can borrow more often still prefer to borrow as little possible. There are several alternative explanations for why college costs have risen so much, according to Kelchen and Kofoed. Over the past several decades, demand has increased faster than the number of available seats. In the case of public universities, state funding declined in the Great Recession and hasn’t recovered. Schools are also dependent on large workforces that can’t be automated and have only gotten more expensive. And students have come to need and expect more non-academic services over the past few decades, particularly for mental health. Kelchen is doubtful that the Biden administration’s changes will have much of a Bennett effect. He points out that increases in tuition have slowed in recent years. “A lot of colleges are concerned that if they raise prices, they won’t get students,” he said. “[With] affordability as a concern, I think we’ve gotten to a point where the majority of colleges out there will struggle to increase tuition in any meaningful way.”

Warrant: Student loan forgiveness could decrease inflation.
Stiglitz, Joseph E. “Actually, Canceling Student Debt Will Cut Inflation”, The Atlantic, 25 Aug 2022, https://www.theatlantic.com/ideas/archive/2022/08/biden-student-debt-cancelation-stiglitz/671228/.
Whatever your view of student-debt cancellation, the inflation argument is a red herring and should not influence policy. Taking that logic to the extreme, canceling food stamps would do far more to reduce inflation—but that would be cruel and inhumane, and fortunately, no one has suggested doing so. A closer look at the student-debt-cancellation program suggests that the new student-loan policy may even reduce inflation; at most, its inflationary impact will be minuscule, and the long- term benefits to the economy are likely to be significant. The contention that debt cancellation will be inflationary contains a series of flaws. To start with, the value of the reduced debt repayments is so small that the cancellation’s impact will be negligible. Although the broad estimates of the total amount of canceled debt can be big—some reach hundreds of billions of dollars—these figures derive only from budgeting practices for how credit programs like student loans are recorded. The government and budget analysts calculate a number that is known as “the present discounted value of foregone payments.” This corresponds to a current estimated value not of the lost payments this year, but of those in all future years. In other words, this calculation treats all of the losses from debt cancellation as though they occurred right now in a single year (adjusted for inflation)—a far cry from the reality. Such an accounting procedure can be an appropriate practice for thinking about the government’s long-run balance sheet, but it is a very poor guide for understanding what actually happens to people’s spending.

AT: Debt forgiveness encourages more borrowing.

Student loans aren't inherently bad, allows students to focus more on school and prioritize academics.

Nadworny '18 reports,

> "Students who borrowed attempted more courses, earned more credit, and had higher grade point averages. The research also found a sizable increase in the likelihood of those students transferring to a four-year public school for a bachelor's degree. [The loans] allowed students to work less. Many students attending community college are working while in school, so the loans may have freed up time in their schedules to take more classes, to study or to finish their schoolwork. Even though tuition on these campuses is low – or for some low-income students, free — there are other expenses. So if the money frees [students] up so they're not focusing on where they're going to get their next meal, I actually think it makes a lot of sense that it could help their academic achievement."

NCES '23 reports,

1. **Financial assistance and grants from colleges have been on an upward trend over the last 10 years.** → "At 4-year degree-granting postsecondary

institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 85 to 87 percent between 2010–11 and 2020–21. At 2-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 77 to 82 percent between 2010–11 and 2020–21."

NCES '23 reports,

2. **Financial assistance and grants from colleges have been on an upward trend over the last 10 years.** → "At 4-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 85 to 87 percent between 2010–11 and 2020–21. At 2-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 77 to 82 percent between 2010–11 and 2020–21."

Delisle '20 reports,

3. **Incentivizing government loans is much better than incentivizing private loans; plus, incentivizing students to go to college is positive.** → "both sides [of the aisle] imply that student debt – and the federal loan program in particular – are fundamentally flawed. [Studies find] the use of student loans helps students earn a degree and pay down their debt – and that some students would benefit from taking out more loans. These studies tell us that the original rationale for government-issued student loans is sound. That is, the private market is unlikely to provide students with loans at affordable terms for a number of reasons, yet the education that the loans make possible tends to be a good financial bet for students. students are usually better off with loans than without them, everything else being equal. Absent a government program, then, a lot of good educational investments won't ever be made."

Analysis: The narrative against this argument should be that students are always going to have to take out loans, but student loan forgiveness sets a positive *precedent that allows students to borrow responsibly. It also encourages students to pursue higher education degrees.*

Answer: Student loans aren't inherently bad, allows students to focus more on school and prioritize academics.
Nadworny, Elissa. "The Benefits Of Taking Out Loans For College", NPR, 14 Nov 2018,
https://www.npr.org/2018/11/14/667699220/the-benefits-of-taking-out-loans-for-college
And what happened to those students who borrowed? "They attempted more courses, they earned more credit, and they had higher grade point averages," says Turner. The research also found a sizable increase in the likelihood of those students transferring to a four-year public school for a bachelor's degree. So why is this all happening? "The most likely explanation," explains Turner "is that this loan allowed students to work less." Many students attending community college are working while in school, so the loans may have freed up time in their schedules to take more classes, to study or to finish their schoolwork. Even though tuition on these campuses is low – or for some low-income students, free — there are other expenses. "The cost of college creates a stress," says Oded Gurantz, an assistant professor at the University of Missouri who studies higher education. "So if the money frees [students] up so they're not focusing on where they're going to get their next meal, I actually think it makes a lot of sense that it could help their academic achievement."

Warrant: Financial assistance and grants from colleges have been on an upward trend over the last 10 years.
IES NCES. "Sources of Financial Aid", National Center for Education Statistics, Aug 2023,
https://nces.ed.gov/programs/coe/indicator/cuc/financial-aid-sources
At 4-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 85 to 87 percent between 2010–11 and 2020–21. However, changes differed by control of institution (i.e., public, private nonprofit, and private for-profit). Between 2010–11 and 2020–21, the percentage of students awarded aid at 4-year institutions. At 2-year degree-granting postsecondary institutions overall, the percentage of first-time, full-time degree/certificate-seeking undergraduate students awarded financial aid increased from 77 to 82 percent between 2010–11 and 2020– 21. Over this period, the percentage of students awarded aid at 2-year institutions

Warrant: Incentivizing government loans is much better than incentivizing private loans; plus, incentivizing students to go to college is positive.
Delisle, Jason D. "Why Student Loans Are Actually a Good Thing", American Enterprise Institute, 26 Aug 2020,
https://www.aei.org/op-eds/why-student-loans-are-actually-a-good-thing/
Progressives and conservatives aren't inclined to find common ground on much these days, but there is one topic where a consensus is emerging – and that might actually lead to bad policy. Both sides believe the country has a student debt problem, though disagree on a solution. Many progressives favor debt forgiveness or free college; many conservatives want the government to stop making loans that they say cause price and degree inflation, or they want the government to impose strict standards on which degrees qualify for loans. But both sides imply that student debt – and the federal loan program in particular – are fundamentally flawed. The evidence on educational loans, however, is telling us something different – that the use of student loans helps students earn a degree and pay down their debt – and that some students would benefit from taking out more loans. These studies tell us that the original rationale for government-issued student loans is sound. That is, the private market is unlikely to provide students with loans at affordable terms for a number of reasons (i.e. they can't be collateralized, information about creditworthiness is hard to obtain), yet the education that the loans make possible tends to be a good financial bet for students. Put another way, students are usually better off with loans than without them, everything else being equal. Private lenders won't take that risk, however, at least not on a large scale at affordable terms for students. Absent a government program, then, a lot of good educational investments won't ever be made.

AT: Debt forgiveness increases taxes.

No federal tax bill to fund student loan forgiveness.

Dore '23 reports,

1. "The latest round of student loan forgiveness won't trigger a federal tax bill. The Biden administration announced a plan to wipe away $39 billion in student debt for 804,000 borrowers. Student loan forgiveness is federally tax-free through 2025 because of a provision from the American Rescue Plan of 2021, Biden's $1.9 trillion Covid-19 stimulus package. "This includes amounts forgiven under income-driven repayment plans, which previously posed the challenge of being hit with a tax bomb at the end of the payment term," said Ethan Miller, a certified financial planner and founder of Planning for Progress in the Washington, D.C., area who specializes in student loans. While the Tax Foundation estimated that seven states could tax student loan forgiveness in August 2022, it's still possible to see legislative changes. "No one wants to be the state that's taxing loan forgiveness,""

Forbes '23 reports,

2. **Student loan forgiveness is not taxable in most states and some states have promised not to tax loan forgiveness as income.** → "Student loan forgiveness is not taxable in most states because they follow federal tax rules. Borrowers also won't need to worry if they live in one of the nine states that don't have an income tax: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming.

while some states, such as Pennsylvania, typically tax debt forgiveness, borrowers won't need to pay tax on their student loan relief. State officials have announced that student loan debt canceled through Biden's program would be nontaxable."

White House '23 reports,

3. **The economic benefits of student loan forgiveness for low-income families will far outweigh the costs of increased taxes.** → "The benefits of the SAVE plan will be particularly critical for low- and middle-income borrowers, community college students, and borrowers who work in public service. Borrowers will see their total payments per dollar borrowed fall by 40%. A typical graduate of a four-year public university will save nearly $2,000 a year. A first-year teacher with a bachelor's degree will see a two-third reduction in total payments, saving more than $17,000."

Analysis: Again, the pro is going to have a hard time proving that taxes are the way student loan forgiveness would be funded. Even so, the federal government has promised not to enact a tax bill and only seven states might increase taxes. Therefore, the impact of this argument is extremely low and is easily outweighed by the economic benefits created by loan forgiveness, especially for low-income families.

Answer: No federal tax bill to fund student loan forgiveness.
Dore, Kate. "Here's how Biden's $39 billion in student loan forgiveness may impact your taxes", CNBC, 18 Jul 2023,
https://www.cnbc.com/2023/07/18/heres-how-bidens-student-loan-forgiveness-may-impact-your-taxes.html
If you're expecting debt cancellation from the latest round of student loan forgiveness, there's good news: It won't trigger a federal tax bill. The Biden administration on Friday announced a plan to wipe away $39 billion in student debt for 804,000 borrowers in the coming weeks. The forgiveness comes from fixes to so-called income-driven repayment plans, which cancel remaining student debt after 20 or 25 years of payments, depending on when they borrowed, and their loan and plan type. The fix moved eligible borrowers closer to 20 or 25 years of payments. Student loan forgiveness is federally tax-free through 2025 because of a provision from the American Rescue Plan of 2021, Biden's $1.9 trillion Covid-19 stimulus package. "This includes amounts forgiven under income-driven repayment plans, which previously posed the challenge of being hit with a tax bomb at the end of the payment term," said Ethan Miller, a certified financial planner and founder of Planning for Progress in the Washington, D.C., area who specializes in student loans. However, the American Rescue Plan provision only covers federal taxes, and you could still see a state tax bill for your forgiven balance, depending on where you live. "It's important to understand what your taxation might be and when you would need to pay it," Miller said. While the Tax Foundation estimated that seven states could tax student loan forgiveness in August 2022, it's still possible to see legislative changes. "No one wants to be the state that's taxing loan forgiveness," Miller added.

Warrant: Student loan forgiveness is not taxable in most states and some states have promised not to tax loan forgiveness as income.
Washington, Kemberly and Doug Whiteman. "If The Supreme Court Lets Biden Forgive Your Student Loan Debt, Will You Owe Taxes?", Forbes, 9 Jun 2023,
https://www.forbes.com/advisor/taxes/student-loan-forgiveness-taxes
Student loan forgiveness is not taxable in most states because they follow federal tax rules. Borrowers also won't need to worry if they live in one of the nine states that don't have an income tax: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming. Unless those states make changes soon, borrowers may expect a state income tax bill. Finally, while some states, such as Pennsylvania, typically tax debt forgiveness, borrowers won't need to pay tax on their student loan relief. State officials have announced that student loan debt canceled through Biden's program would be nontaxable.

Warrant: The economic benefits of student loan forgiveness for low-income families will far outweigh the costs of increased taxes.
Briefing Room. "FACT SHEET: The Biden-Harris Administration Launches the SAVE Plan,
the Most Affordable Student Loan Repayment Plan Ever to Lower Monthly
Payments for Millions of Borrowers", The White House, 22 Aug 2023,
https://www.whitehouse.gov/briefing-room/statements-releases/2023/08/22/fact-sheet-the-biden-harris-administration-launches-the-save-plan-the-most-affordable-student-loan-repayment-plan-ever-to-lower-monthly-payments-for-millions-of-borrowers

The benefits of the SAVE plan will be particularly critical for low- and middle-income borrowers, community college students, and borrowers who work in public service. Overall, the Department of Education estimates that the plan will have the following effects for future cohorts of borrowers compared to the IDR plan, called the Revised Pay-As-You-Earn (REPAYE) plan: Borrowers will see their total payments per dollar borrowed fall by 40%. Borrowers with the lowest projected lifetime earnings will see payments per dollar borrowed fall by 83%, while those in the top would only see a 5% reduction. A typical graduate of a four-year public university will save nearly $2,000 a year. A first-year teacher with a bachelor's degree will see a two-third reduction in total payments, saving more than $17,000, while pursuing Public Service Loan Forgiveness.

AT: Debt forgiveness reduces the value of college degrees.

Answer: College degrees are still worth it

1. **College is a positive return on investment.** Blake 23' According to a report released by the Institution for Higher Education Policy Wednesday, a college degree still has value for about 93 percent of students. The analysis shows that for the majority of students, especially those attending a public institution, having a college degree leaves them better off financially in comparison to peers who did not pursue postsecondary education.
2. **Students outperform their high school educated peers** Blake 23' The minimum economic return measured in the report is referred to as Threshold 0. Institutions meet Threshold 0 if their students earn at least as much as a high school graduate, plus enough to recoup their investment in college, within 10 years. That threshold is within reach for about 83 percent of colleges, according to the report. The percentage is even higher for two- and four-year public institutions, 89 percent and 97 percent, respectively. The typical postgraduation earnings for alums of such institutions are about $8,981 above the threshold minimum.
3. **Skepticism about college is unwarranted.** Dickler 23' For decades, research showed that earning a degree is almost always worthwhile. Bachelor's degree holders generally earn 75% more than those with just a high school diploma, according to "The College Payoff," a report from the Georgetown University Center on Education and the Workforce — and the higher the level of educational attainment, the larger the payoff. Finishing college puts workers on track to earn a median of $2.8 million over their lifetimes, compared with $1.6 million if they only had a high school diploma, the report found.
4. **Over time, occupations will require more education.** Dickler 23' occupations as a whole are steadily requiring more education, according to another upcoming report by

Georgetown’s Center on Education and the Workforce. In 1983, only 28% of jobs required any postsecondary education and training beyond high school. By 2021, that had jumped to 68%.

Analysis: Use these cards to show the judge that a college education will retain value regardless of debt forgiveness. The drivers of college education are structural and will not go away.

Warrant: College is a positive return on investment.
Blake, Jessica. “Is College Worth It? Recent Analysis Says Yes”, Inside Higher Ed, June 2023,
https://www.insidehighered.com/news/business/financial-health/2023/06/22/college-worth-it-recent-analysis-says-yes
According to a report released by the Institution for Higher Education Policy Wednesday, a college degree still has value for about 93 percent of students. The analysis shows that for the majority of students, especially those attending a public institution, having a college degree leaves them better off financially in comparison to peers who did not pursue postsecondary education. About 2,400 institutions, enrolling about 18 million undergraduates nationwide, reach a minimum level of value return that makes the cost of college worth the investment, the report says. However, another 500 institutions, enrolling nearly 1.5 million undergraduate students, do not meet the same standard.

Warrant: Students outperform their high school educated peers
Blake, Jessica. “Is College Worth It? Recent Analysis Says Yes”, Inside Higher Ed, June 2023,
https://www.insidehighered.com/news/business/financial-health/2023/06/22/college-worth-it-recent-analysis-says-yes
“Students go to college to increase their earning potential, so it’s important to continually think about how we measure the value higher education is providing to students and how to improve it,” Michelle Dimino, deputy director of education at Third Way, a public policy think tank, said via email. “This report gives institutions and policymakers a helpful playbook for making sure that every student receives a baseline return on their investment.” The minimum economic return measured in the report is referred to as Threshold 0. Institutions meet Threshold 0 if their students earn at least as much as a high school graduate, plus enough to recoup their investment in college, within 10 years. That threshold is within reach for about 83 percent of colleges, according to the report. The percentage is even higher for two- and four-year public institutions, 89 percent and 97 percent, respectively. The typical postgraduation earnings for alums of such institutions are about $8,981 above the threshold Minimum.

Warrant: Skepticism about college is unwarranted.
Dickler, Jessica. “College is still worth it, research finds — although students are growing skeptical”, CNBC, 22 Aug 2023,
https://www.cnbc.com/2023/03/01/is-college-worth-it-what-the-research-shows.html
His parents support his decision to pursue a certification in a skilled trade rather than get a bachelor’s degree, he said. Although Kirkhoff is the only one of his friends who decided against a four-year school next year, more high school students nationwide are questioning the value of college. For decades, research showed that earning a degree is almost always worthwhile. Bachelor’s degree holders generally earn 75% more than those with just a high school diploma, according to “The College Payoff,” a report from the Georgetown University Center on Education and the Workforce — and the higher the level of educational attainment, the larger the payoff. Finishing college puts workers on track to earn a median of $2.8 million over their lifetimes, compared with $1.6 million if they only had a high school diploma, the report found.

Warrant: Over time, occupations will require more education
Dickler, Jessica. “College is still worth it, research finds — although students are growing skeptical”, CNBC, 22 Aug 2023,
https://www.cnbc.com/2023/03/01/is-college-worth-it-what-the-research-shows.html
Over time, occupations as a whole are steadily requiring more education, according to another upcoming report by Georgetown’s Center on Education and the Workforce. And the fastest-growing industries, such as computer and data processing, still require workers with disproportionately high education levels compared with industries that have not grown as quickly. In 1983, only 28% of jobs required any postsecondary education and training beyond high school. By 2021, that had jumped to 68%, the report also found. In another decade, it will climb to 72%.

AT: Debt forgiveness discourages systemic reform.

Answer: Systemic reform can coexist with debt forgiveness.

1. **Legislation has been introduced** Knott 23’ Louisiana senator Dr. Bill Cassidy unveiled a package of bills Wednesday that he and other Senate Republicans said would rein in the cost of a college education and address the root causes that are driving students to take on more loans. The Lowering Education Costs and Debt Act, which is a collection of five bills
2. **The bill would put pressure on colleges to lower costs.** Knott 23’ The Lowering Education Costs and Debt Act, on the other hand, would prevent colleges and universities from accessing federal financial aid for their students if program graduates don’t clear certain earnings thresholds. It would streamline repayment options, require some loan counseling, improve transparency about college programs to give students and families better information, standardize student aid offers, and limit graduate school borrowing, among other provisions.
3. **The President has announced an initiative to provide better information to students** Morgan 23’ The president announced that his administration would develop a college scorecard to act as a quick reference for students on the cost and quality of the colleges they are researching. These scorecards will be hosted on the federal government’s College Affordability and Transparency Center website and will include information such as a student’s likelihood to graduate and repay student loans, average debt upon graduation, and likely employment outcomes.
4. **Administrative agencies can develop tools that help students make informed decisions without the need for legislation.** Morgan 23’ the Consumer Financial Protection Bureau and the Education Department developed is an excellent tool. It will help students make accurate side-by-side comparisons among institutions by ensuring all schools present their financial aid packages in the same way.

Analysis: Use these cards to demonstrate that student debt relief does not preclude other methods of solving the student loan crisis. The President can and should do both.

Warrant: Legislation has been introduced
Knott, Katherine. "Republicans Unveil Sweeping Higher Education Legislation", Inside Higher Ed, June 2023,
https://www.insidehighered.com/news/government/student-aid-policy/2023/06/15/republicans-seek-overhaul-federal-student-loan-system
Louisiana senator Dr. Bill Cassidy unveiled a package of bills Wednesday that he and other Senate Republicans said would rein in the cost of a college education and address the root causes that are driving students to take on more loans. The Lowering Education Costs and Debt Act, which is a collection of five bills, gives a good look into Cassidy's priorities as ranking Republican on the Senate education committee. "Student loan debt is an anchor on people's feet, and that is what is keeping them from mobility," Cassidy said at a press conference. "We're trying to make it so that this person has a future untethered by student loan debt, which predictably they would not be able to pay back."

Warrant: The bill would put pressure on colleges to lower costs.
Knott, Katherine. "Republicans Unveil Sweeping Higher Education Legislation", Inside Higher Ed, June 2023,
https://www.insidehighered.com/news/government/student-aid-policy/2023/06/15/republicans-seek-overhaul-federal-student-loan-system
Also on, Wednesday Vermont senator Bernie Sanders, who chairs the Senate education committee, introduced the latest version of the College for All Act, which would double the maximum Pell Grant award, guarantee tuition-free community college for all students and allow eligible students to attend four-year institutions without taking on debt. The Lowering Education Costs and Debt Act, on the other hand, would prevent colleges and universities from accessing federal financial aid for their students if program graduates don't clear certain earnings thresholds. It would streamline repayment options, require some loan counseling, improve transparency about college programs to give students and families better information, standardize student aid offers, and limit graduate school borrowing, among other provisions.

Warrant: The President has announced an initiative to provide better information to students
Morgan, Julie. "Making College More Affordable", Center for American Progress, 22 Aug 2023,
https://www.americanprogress.org/article/making-college-more-affordable/
Every day students decide where to apply to school, what to study, and how to pay, with very little information on which to base their decisions. Better information is a key to making choices that ensure families aren't saddled with educational debt for the rest of their lives. The president announced that his administration would develop a college scorecard to act as a quick reference for students on the cost and quality of the colleges they are researching. These scorecards will be hosted on the federal government's College Affordability and Transparency Center website and will include information such as a student's likelihood to graduate and repay student loans, average debt upon graduation, and likely employment outcomes. In addition to the scorecard, the president touted plans to collect college earnings information and its financial aid shopping sheet—a model disclosure form for financial aid offers.

Warrant: Administrative agencies can develop tools that help students make informed decisions without the need for legislation.
Morgan, Julie. "Making College More Affordable", Center for American Progress, 22 Aug 2023,
https://www.americanprogress.org/article/making-college-more-affordable/
The model financial aid shopping sheet that the Consumer Financial Protection Bureau and the Education Department developed is an excellent tool. It will help students make accurate side-by-side comparisons among institutions by ensuring all schools present their financial aid packages in the same way. But it will only truly be helpful if colleges are required to use it, not just encouraged to do so. The president should urge Congress to require colleges and universities to adopt the financial aid shopping sheet.

AT: Debt forgiveness increases wasteful spending.

Colleges don't have enough funding.

1. **States are decreasing their funding of colleges.** **NEA 22'** Across the U.S., 32 states spent less on public colleges and universities in 2020 than in 2008, with an average decline of nearly $1,500 per student.
2. **Colleges need more funding.** **Dickler 22'** The number of undergraduates enrolled in college nationwide is now down 9.4% compared to two years ago — a loss of nearly 1.4 million students. Those steep declines caused tuition revenue to fall, putting some schools in financial jeopardy. A few have had to shut down entirely.

Analysis: This is a good response because it shows that colleges need more money to keep their doors open. It casts doubt on the narrative that colleges are just being greedy. Instead, it shows that maybe colleges aren't being wasteful – they're just doing what it takes to keep their doors open.

The Bennett Hypothesis has a weak correlation at best.

1. **Research supporting the Bennett Hypothesis is flawed.** **Pallardy 19'** Even if the Bennett hypothesis is true, the lack of a strong correlation suggests that it depicts at best a weak relationship. The Bennett hypothesis may be true only for isolated subsets of higher education, such as for-profit colleges and universities. Much of the research about the Bennett hypothesis is flawed because it looks for correlations between the total amount of financial aid and sticker prices, as opposed to correlations between changes in the amount of financial aid and changes in college prices. Some research about the Bennett hypothesis purports to find correlations with gross tuition rates or sticker prices. These results evaporate when retargeted at correlations with net tuition and net price. The correlations also disappear when re- examined at a granular level.

Analysis: This is a good response because all of the research surrounding wasteful spending funded by federal aid is predicated on William J. Bennett's hypothesis that increased federal aid leads to increased tuition costs. By using this response, you can take arguments out at the link level and not have to worry about whatever nebulous impact your opponents cooked up.

Colleges don’t want to increase tuition costs.

1. **Colleges are trying to implement no-loan programs.** [**Edelman 23’**](https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research) Institutions of higher education are moving toward no-loan programs, Kofoed argued, in which higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging.

Analysis: This is a good argument because it shows that colleges do not want students to have to take out student loans, and increasing tuition prices would hinder them from reaching that goal. Beyond this, it shows that, while student debt is an issue, colleges are working toward solutions in the status quo.

Warrant: States are decreasing their funding of colleges.
NEA Research. “State Funding of Higher Education During Financial Crises.” National Education Association, 25 Oct 2022,
https://www.nea.org/he_funding_report.
1. Across the U.S., 32 states spent less on public colleges and universities in 2020 than in 2008, with an average decline of nearly $1,500 per student. As a result, students need to pay (and borrow) more. 2. But that's not the whole problem: Institutions also are spending more on things that don't have to do with student learning, such as institutional debt. Now, state lawmakers are making plans for next year's state budgets. It's essential for faculty and staff to make their voices heard. 3. Now, state lawmakers are making plans for next year's state budgets. It's essential for faculty and staff to make their voices heard.

Warrant: Colleges need more funding.
Dickler, Jessica. “‘Universities are going to continue to suffer.’ Some colleges struggle with enrollment declines, underfunding.” CNBC, 5 Oct 2022,
https://www.cnbc.com/2022/10/05/colleges-struggle-with-enrollment-declines-underfunding-post-covid.html.
Increasingly, high school students are rethinking the value of college, with a growing number of them questioning the return on investment. Some have decided against a four-year degree. To be sure, undergraduate enrollment was falling even before the pandemic, but remote learning — coupled with the sky-high cost of college — triggered a nosedive. The number of undergraduates enrolled in college nationwide is now down 9.4% compared to two years ago — a loss of nearly 1.4 million students. Those steep declines caused tuition revenue to fall, putting some schools in financial jeopardy. A few have had to shut down entirely. “I worry that the trend is going to continue because nobody is doing anything to improve affordability, and universities are going to continue to suffer,” said Hafeez Lakhani, founder and president of Lakhani Coaching in New York City.

Warrant: Research supporting the Bennett Hypothesis is flawed.
Pallardy, Richard. “History of Student Loans: The Bennett Hypothesis.” Saving for College, 12 Feb. 2019,
https://www.savingforcollege.com/article/history-of-student-loans-the-bennett-hypothesis.
Even if the Bennett hypothesis is true, the lack of a strong correlation suggests that it depicts at best a weak relationship. The Bennett hypothesis may be true only for isolated subsets of higher education, such as for-profit colleges and universities. After all, nobody rightfully believes that a $5,500 Federal Direct Stafford Loan limit and a $6,095 maximum Federal Pell Grant cause some colleges to charge as much as $75,000 a year. The mismatch in magnitude undermines the Bennett hypothesis. Much of the research about the Bennett hypothesis is flawed because it looks for correlations between the total amount of financial aid and sticker prices, as opposed to correlations between changes in the amount of financial aid and changes in college prices. The former can never demonstrate a causal relationship and the latter appears to disprove it. Consider that Federal Stafford loan limits did not increase from 1993 to 2007 or from 2008 to the present, yet college costs continued to increase during these periods. The maximum Federal Pell Grant remained unchanged at $2,300 from 1989-90 to 1994-95, at $4,050 from 2003-04 to 2006-07 and at $5,550 from 2010-11 to 2012-13, yet college costs continued to increase. Some of these time periods overlap, meaning that there were no increases in federal grants and loans, yet college costs continued to increase at the same pace. Moreover, there was no spike in college costs when loan limits were increased in 2008 or when the maximum Federal Pell Grant jumped in 2009- 10. Some research about the Bennett hypothesis purports to find correlations with gross tuition rates or sticker prices. These results evaporate when retargeted at correlations with net tuition and net price. The correlations also disappear when re- examined at a granular level.

Warrant: Colleges are trying to implement no-loan programs.
Edelman, Jon. “Does Loan Relief Lead to Increased Tuition? Probably Not, Says the Research.” Diverse Issues in Higher Education, 2 Feb. 2023,
https://www.diverseeducation.com/leadership-policy/article/15306376/does-loan-relief-lead-to-increased-tuition-probably-not-says-the-research#:~:text=Probably%20Not%2C%20Says%20the%20Research,-Jon%20Edelman&text=The%20Biden%20administration's%20recent%20moves,have%20sparked%20controversy%20and%20criticism
The reason, according to Kofoed, is that colleges may not be as greedy as William J. Bennett had thought. “Colleges and universities are not profit-maximizing firms,” he said. “They have other objective functions, and so they don’t behave like a for-profit firm would.” Institutions of higher education are moving toward no-loan programs, Kofoed argued, in which higher-income students paying full sticker prices subsidize lower or middle-income students. Increasing the sticker price might make this system more challenging. “I would be skeptical of thinking that they would instantly throw out that model of student cross-subsidization and decide to just raise tuition to capture the student loans and place a higher debt on the students that they are currently committed to reducing,” he said.

AT: Debt forgiveness is unfair.

Answer: Debt forgiveness is fair.

1. **The loan repayment system is a dysfunctional mess that harms borrowers.** **Dynarski 22'** This bureaucratic, government-created mess of a system has actively harmed student borrowers, driving many into default. Delinquency and default leave a longstanding blot on credit records, keeping borrowers from buying homes and cars, renting apartments and getting jobs.
2. **The government needs to right its wrong.** **Dynarski 22'** But I have seen so little progress on these issues that I now think we must make amends to those we have harmed. Loan forgiveness is not just warranted; it's fair: Government policy did harm, and it is government policy that should work to reverse it.

Analysis: This is a good argument because it not only says that the government needs to right a wrong, but it says that because no progress has been made thus far, a radical solution is warranted. Blanket debt forgiveness is incredibly radical, and this card justifies it.

Answer: The position students are put in is unfair

1. **Higher education is so expensive that most students are forced to take out loans.** **Sheffey 22'** Dr. Kate Padgett Walsh, an associate professor of philosophy at Iowa State University studying the ethics of debt, told Insider that when it comes to student debt, the debate surrounding fairness isn't so cut and dry. these young people are agreeing to something, yes, but they don't really have a lot of other options," Walsh continued. "They're thinking about fairness far too narrowly because we need to think about how students get in this position. these young people are agreeing to something, yes, but they don't really have a lot of other options," Walsh continued. The state of the economy is different today, too, with cost of living on the rise and wages relatively stagnant. Signing on the dotted line when a student is 18 years old to take on debt is "less of a promise and more of a forced move," Walsh said, because paying for full tuition without financial aid is increasingly unattainable.

Analysis: This is a good argument because it demonstrates that unfairness exists across the board. It's basically a nicer way of saying "yeah, well life is not fair – move on."

Answer: This is not a valid argument against other policies.

1. **Other government programs have not faced this critique.** [Nelson 22’](https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation) One holds that forgiveness is unfair to those who borrowed but paid off their debts — an argument that could be raised against any social program on behalf of those who were born too early to benefit from it. The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits.

Analysis: This is a good argument because it shows that there are programs that don’t have this standard all over, and we still voted for them because they benefited the most vulnerable Americans. It’s especially nice because this card lays out the point and counterpoint that takes it down.

Warrant: The loan repayment system is a dysfunctional mess that harms borrowers.
Dynarski, Susan. “Why I Changed My Mind on Student Debt Forgiveness.” The New York Times, 30 Aug. 2022, https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.
With a well-functioning system of loan repayment, these small debts would not cause distress. In theory, income-based repayment programs, such as Pay as You Earn, allow borrowers to pay only what they can afford by setting payments as a percentage of income. But these programs require that borrowers annually document their incomes, using information from the Internal Revenue Service. This part of the application process frequently tripped up borrowers, keeping them from enrolling and staying in income-based plans. How has this happened? The Department of Education outsources the servicing of student loans to private companies. These companies are the face of student loans for tens of millions of borrowers — and often the source of enormous frustration. The loan companies have misdirected payments, lost paperwork and charged incorrect interest rates, the Consumer Financial Protection Bureau and the Government Accountability Office have shown. This bureaucratic, government-created mess of a system has actively harmed student borrowers, driving many into default. Delinquency and default leave a longstanding blot on credit records, keeping borrowers from buying homes and cars, renting apartments and getting jobs. By allowing borrowers to once again get access to credit, housing and job markets, forgiving loans can therefore have a real effect on lives and the economy.

Warrant: The government needs to right its wrong.
Dynarski, Susan. “Why I Changed My Mind on Student Debt Forgiveness.” The New York Times, 30 Aug. 2022, https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.
A third of borrowers hold less than $10,000 in debt. An additional 20 percent have debts below $20,000. Mr. Biden’s plan could clear the debts of about half of borrowers. This will not only improve lives but also reduce stress on the loan system when the remaining borrowers restart paying in a few months. I once thought forgiveness to be an expensive Band-Aid, a distraction from fundamental reform. But I have seen so little progress on these issues that I now think we must make amends to those we have harmed. It’s time to erase the debts of those millions who borrowed modestly for their education but wound up in financial distress because of our disjointed loan system. Loan forgiveness is not just warranted; it’s fair: Government policy did harm, and it is government policy that should work to reverse it.

Warrant: Higher education is so expensive that most students are forced to take out loans.
Sheffey, Ayelet. “Why Biden's student-loan forgiveness ignited a debate over the fairness of debt relief, according to an ethicist.” Business Insider, 18 Dec. 2022, https://www.businessinsider.com/student-loan-forgiveness-2022-debt-fair-unfair-ethicist-explains-2022-12.
But the argument of fairness persists. Senate Minority Leader Mitch McConnell said in August that Biden's plan to cancel student debt is "astonishingly unfair." "President Biden's student loan socialism is a slap in the face to every family who sacrificed to save for college, every graduate who paid their debt, and every American who chose a certain career path or volunteered to serve in our Armed Forces in order to avoid taking on debt," McConnell said. Dr. Kate Padgett Walsh, an associate professor of philosophy at Iowa State University studying the ethics of debt, told Insider that when it comes to student debt, the debate surrounding fairness isn't so cut and dry. "They're thinking about their own experience, as opposed to what someone who's 20 is dealing with today," Walsh said. "They're thinking about fairness far too narrowly because we need to think about how students get in this position. And is that fair to begin with?” The difference between now and decades ago is that college is a lot more expensive — and if students want a higher education, they often don't have any other choice but to take out a loan, Walsh said. "This starts to look like a pretty big exception to our normal rule about holding people to their promises," Walsh said. "Normally, the fact that when I promise something, it gives me an obligation as an individual, as a person of integrity, to follow through there. But this looks like a really exceptional case... these young people are agreeing to something, yes, but they don't really have a lot of other options,” Walsh continued. Tuition and fees at private universities have increased 134% over the past 20 years, per US News, and in-state tuition and fees climbed 175% over the same time-frame. Adjusted for inflation, going to school today is simply more expensive than it was when lawmakers like McConnell were pursuing higher education — when he was at University of Louisville in 1964, annual tuition there cost $330. The state of the economy is different today, too, with cost of living on the rise and wages relatively stagnant. Signing on the dotted line when a student is 18 years old to take on debt is "less of a promise and more of a forced move," Walsh said, because paying for full tuition without financial aid is increasingly unattainable.

Warrant: Other government programs have not faced this critique.
Nelson, Libby. “The “fairness” debate over student loan forgiveness, explained.” Vox, 31 Aug. 2022, https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation.
There are other versions of the fairness argument circulating. One holds that forgiveness is unfair to those who borrowed but paid off their debts — an argument that could be raised against any social program on behalf of those who were born too early to benefit from it. The counterpoint to these critiques is that critics are holding student debt forgiveness to a fairness standard applied to few other government programs or benefits. Forgiveness could be life-changing for millions of people, especially those struggling with default, the argument goes, while hurting no one. Which is where the other part of the critiques come in.

AT: There are better alternatives.

Answer: Better alternatives are too slow to come by.

1. **Student loan debt has a major impact on borrowers – it needs to be fixed now.** **National Association of Realtors** Over one quarter of student loan debt holders say their debt has impacted their decision or their ability to purchase a home (29%), take a vacation (35%), or purchase a car (31%). 3. Approximately half of student loan debt holders say their debt has impacted their life choices. One third say it has impacted their ability to continue their education (33%) while 14% say it has impacted their decision to start a family.
2. **Student loan debt has a major impact on the economy – it needs to be fixed now.** **Hanson 23'** Small businesses are especially vulnerable to the economic impact of student loan debt as they are the most likely to rely on personal financing. Businesses with fewer than 20 employees create a net of 1.2 million new jobs annually. A joint study by Pennsylvania State University and Federal Reserve Banks finds "a significant and economically meaningful negative correlation between changes in student debt and net new businesses employing one to four employees.
3. **There is no progress being made on the student debt crisis.** **Dynarski 22'** But I have seen so little progress on these issues that I now think we must make amends to those we have harmed. It's time to erase the debts of those millions who borrowed modestly for their education but wound up in financial distress because of our disjointed loan system.

Analysis: This argument is good because it admits that there are other alternatives out there, but it explains that those alternatives are going to take too long. Individual borrowers and the economy as a whole are suffering. This card adds a sense of urgency to the issue and imposes an almost immediate time frame.

Answer: Debt forgiveness is a good first step.

1. **Forgiving student debt is a step in the right direction.** **Mulvey 22'** President Biden's long awaited announcement of a plan to alleviate the student debt of roughly twenty million Americans should be celebrated as a hard-fought first step toward reaffirming the purpose and promise of higher in our democracy. President Biden's action on student debt relief is a vital first step in addressing decades of disinvestment and underfunding of our public institutions of higher education.

2. **Debt forgiveness is the first nail in the coffin.** [**Helhoski 23'**](https://www.nerdwallet.com/article/loans/student-loans/what-would-it-take-to-solve-the-student-debt-crisis) "There are no $1.7 trillion silver bullets," says Seth Frotman, the former executive director of the Student Borrower Protection Center, a nonprofit advocacy organization. Frotman says, in addition to canceling debt, he would prioritize efforts to make college more affordable and to reform the borrowing and repayment systems.

Analysis: This is a good response because it acknowledges that debt forgiveness is not the end all be all, but it paints it as a step in the right direction. This way, even if the solution is not perfect, you can argue that it builds momentum toward an even better solution. Bear in mind that although the first card talks specifically about Biden's plan, the resolution is a more radical plan that the author's intent seems to support.

Warrant: Student loan debt has a major impact on borrowers – it needs to be fixed now.
"The Impact of Student Loan Debt." National Association of Realtors,
https://www.narealtor/research-and-statistics/research-reports/the-impact-of-student-loan-debt.
This report builds on past findings from NAR and explores the current role of student loan debt and the relationship to homeownership. The findings show that student debt does hold back home buyers. While the themes are consistent based on past research, the current report expands the knowledge base by exploring the role of the current Federal Government Stimulus packages and the role the current COVID-19 pandemic has played on debt. Some of the key findings include: 1. While the plurality say student loan debt has not impacted any of the tested employment decisions (42%), others say debt has kept them in disliked or uninteresting jobs, forced them to take second jobs, or take a job outside their preferred field. 2. Over one quarter of student loan debt holders say their debt has impacted their decision or their ability to purchase a home (29%), take a vacation (35%), or purchase a car (31%). 3. Approximately half of student loan debt holders say their debt has impacted their life choices. One third say it has impacted their ability to continue their education (33%) while 14% say it has impacted their decision to start a family.

Warrant: Student loan debt has a major impact on the economy – it needs to be fixed now.
Hanson, Melanie. "Economic Effects of Student Loan Debt." Education Data Initiative,20 Sep. 2023,
https://educationdata.org/student-loan-debt-economic-impact.
Small businesses are especially vulnerable to the economic impact of student loan debt as they are the most likely to rely on personal financing. Would-be entrepreneurs are 11% less likely to start a new business if they owe more than $30,000 in student loan debt. The average student loan debt per borrower is $37,570. Businesses with fewer than 20 employees create a net of 1.2 million new jobs annually. 99.9% of businesses in the U.S. have fewer than 20 employees. Small businesses with fewer than 500 employees employ 47.3% of the national private workforce. A joint study by Pennsylvania State University and Federal Reserve Banks finds "a significant and economically meaningful negative correlation between changes in student debt and net new businesses employing one to four employees.

Warrant: There is no progress being made on the student debt crisis.
Dynarski, Susan. "Why I Changed My Mind on Student Debt Forgiveness." The New York Times, 30 Aug. 2022,
https://www.nytimes.com/2022/08/30/opinion/student-loan-debt-relief-biden.html.
A third of borrowers hold less than $10,000 in debt. An additional 20 percent have debts below $20,000. Mr. Biden's plan could clear the debts of about half of borrowers. This will not only improve lives but also reduce stress on the loan system when the remaining borrowers restart paying in a few months. I once thought forgiveness to be an expensive Band-Aid, a distraction from fundamental reform. But I have seen so little progress on these issues that I now think we must make amends to those we have harmed. It's time to erase the debts of those millions who borrowed modestly for their education but wound up in financial distress because of our disjointed loan system. Loan forgiveness is not just warranted; it's fair: Government policy did harm, and it is government policy that should work to reverse it.

Warrant: Forgiving student debt is a step in the right direction.
Mulvey, Irene. "Debt Forgiveness A Hard-Fought First Step." American Association of University Professors, 26 Aug. 2022,
https://www.aaup.org/news/debt-forgiveness-hard-fought-first-step.
President Biden's long awaited announcement of a plan to alleviate the student debt of roughly twenty million Americans should be celebrated as a hard-fought first step toward reaffirming the purpose and promise of higher in our democracy. This transformative plan will go a long way toward narrowing the racial wealth gap which the student loan crisis has exacerbated. The AAUP's founding principles affirm that higher education exists to support the common good. An education should be accessible and affordable as a human right to anyone willing to seek it. President Biden's action on student debt relief is a vital first step in addressing decades of disinvestment and underfunding of our public institutions of higher education. The data on student debt makes it clear that people of color, especially women of color, are most heavily burdened and deserving of assistance. Four years after graduation, Black college graduates owe nearly twice as much as their white counterparts. For three quarters of Black borrowers, the student loan balance they owe today is greater than the original balance. It is hard to imagine this kind of injustice going unaddressed if it were directed at a white population

Warrant: Debt forgiveness is the first nail in the coffin.
Helhoski, Anna & Eliza Haverstock. "What Would It Take to Solve the Student Debt Crisis?" NerdWallet, 20 Jan. 2023,
https://www.nerdwallet.com/article/loans/student-loans/what-would-it-take-to-solve-the-student-debt-crisis.
The possibility of federal student loan forgiveness grabs all the headlines. But experts say no single policy — not even wiping the slate clean for millions of borrowers — solves the root causes of the nation's $1.7 trillion student loan debt crisis. That debt has been fueled by decades of wages not keeping up with the rising cost of college. And unless wages increase and college costs decrease, students will still need to take on debt to complete degrees, and they'll face greater difficulty repaying loans. "There are no $1.7 trillion silver bullets," says Seth Frotman, the former executive director of the Student Borrower Protection Center, a nonprofit advocacy organization. So what could work? It'll take more than a headline-grabbing wipeout of student debt. Frotman says, in addition to canceling debt, he would prioritize efforts to make college more affordable and to reform the borrowing and repayment systems. Michele Streeter, senior policy analyst at The Institute for College Access and Success, says student loans remain an important college access tool for students, but forgiveness and repayment programs should be easier to access and automated whenever possible. As a new crop of students gets ready to borrow for college and multiple generations of borrowers grapple with debt, experts weigh in on possible solutions

AT: Doesn't Fix Education.

We should cancel debt and then fix education

1. **Burgis 20'** There's also some truth to the "moral hazard" concern. A student loan jubilee now would give students in the future that have to take out loans to finance their educations some reason to be hopeful that their own burdens will be relieved later. But neither of those give us a good reason not to cancel current debt. Instead, they give us an excellent reason to create a fair system of higher education going forward — meaning that we should make public higher education, community colleges, and vocation schools tuition-free (and nationalize elite private universities while we're at it). No one should have to think about whether or how they'll be able to pay back their debts before pursuing an education. And it's extraordinarily unjust that anyone forgoes the experience completely because of these worries. We need to cancel every penny of current debt and eliminate tuition so no one ever has to take out another loan again.

Ben Burgis is a philosophy professor and the author of Give Them An Argument: Logic for the Left. He is host of the podcast Give Them An Argument, 2020, https://jacobin.com/2020/11/cancel-student-loan-debt-biden.
Thinking about what's wrong with the "unfairness" argument can help us understand what's wrong with the two other most common arguments against student loan cancellation — that cancelling the debt would be "regressive" and that it would create a "moral hazard" going forward. The "regressiveness" objection is that the population of borrowers is richer on average than the larger population of non-borrowers. This is true as far as it goes. While the least privileged students often have to take on enormous debt and have more trouble than other borrowers paying it back, it's also true that most poor people don't even try to go to college because they know that it's too expensive. There's also some truth to the "moral hazard" concern. A student loan jubilee now would give students in the future that have to take out loans to finance their educations some reason to be hopeful that their own burdens will be relieved later. Cancelling current loans without doing anything about the underlying problem perpetuates the cycle of students taking out loans and struggling to ever pay them back. But neither of those give us a good reason not to cancel current debt. Instead, they give us an excellent reason to create a fair system of higher education going forward — meaning that we should make public higher education, community colleges, and vocation schools tuition-free (and nationalize elite private universities while we're at it). No one should have to think about whether or how they'll be able to pay back their debts before pursuing an education. And it's extraordinarily unjust that anyone forgoes the experience completely because of these worries. We need to cancel every penny of current debt and eliminate tuition so no one ever has to take out another loan again.

AT: Increases Inflation.

1. **Debt forgiveness isn't inflationary because it impacts the economy over time** **Horsley 22'** Debt forgiveness is not like the $1200 relief checks the government sent out last year, which some experts say added to inflationary pressure. Borrowers won't suddenly have $20,000 deposited in their bank accounts. Instead, they'll be relieved of making loan payments over many years. Because the relief is dribbled out slowly, Ali Bustamante, who's with left-leaning Roosevelt Institute says Biden's move won't move the needle on inflation very much. "It's just really a drop in the bucket when it come to just the massive level of consumer spending in our very service- and consumer-driven economy," he says.
2. **It's immoral – eliminating assistance to the poor would slow inflation, but it is immoral** **Nelson 22'** But that position is not universal. "I am not in favor of framing student-loan policy as a lever for managing inflation," Sue Dynarski, a Harvard professor, an expert on higher education finance, and a former forgiveness skeptic, wrote in the New York Times on Tuesday. **"Eliminating food subsidies for poor families — SNAP, as the food stamp program is known today — would definitely slow the economy, but that doesn't mean we should do it."**
3. **People will use the $ to pay down debt, they won't spend it** **Ngo 22'** Some proponents of student debt cancellation argue that the policy would have no impact on inflation. Alí R. Bustamante, the deputy director of the Worker Power and Economic Security program at the progressive Roosevelt Institute, said that an increase in wealth might not lead to much higher spending since consumers are likely to use that money to pay off other debts. They could also use that money to build up their savings, as many households have done during the pandemic, he said. "So many of these folks actually lack any considerable economic buffer," Bustamante said. "When you just take into consideration the demographics of it, you can see that any kind of increase in spending is actually very small." Bustamante said the debt cancellation would provide some relief to Americans struggling to deal with inflation since it puts more money in their pockets and helps reduce the racial wealth gap, since Black students are much more likely to take out student loans and tend to borrow larger amounts. He also said it would help Americans who didn't complete college, but still took on student loan debt.

Debt forgiveness isn't inflationary because it impacts the economy over time

Scott Horsley, August 22, 2022, NPR, Is it fair to forgive student loans? Examining 3 of the arguments of a heated debate, https://www.npr.org/2022/08/28/1119687223/student-loans-debt-forgiveness-pell-grants-biden-inflation
Not all economists believe the debt forgiveness will do much to fuel inflation. Debt forgiveness is not like the $1200 relief checks the government sent out last year, which some experts say added to inflationary pressure. Borrowers won't suddenly have $20,000 deposited in their bank accounts. Instead, they'll be relieved of making loan payments over many years. President Biden announces student loan relief in the Roosevelt Room of the White House in Washington, D.C. on Aug. 24. Olivier Douliery/AFP via Getty Images Because the relief is dribbled out slowly, Ali Bustamante, who's with left-leaning Roosevelt Institute says Biden's move won't move the needle on inflation very much. "It's just really a drop in the bucket when it come to just the massive level of consumer spending in our very service- and consumer-driven economy," he says.
It's immoral – eliminating assistance to the poor would slow inflation, but it is immoral

Libby Nelson, August 9, 2022, Vox, The "fairness" debate over student loan forgiveness, explained, https://www.vox.com/policy-and-politics/23322129/student-loan-forgiveness-fair-inflation

But that position is not universal. “I am not in favor of framing student-loan policy as a lever for managing inflation,” Sue Dynarski, a Harvard professor, an expert on higher education finance, and a former forgiveness skeptic, wrote in the New York Times on Tuesday. “Eliminating food subsidies for poor families — SNAP, as the food stamp program is known today — would definitely slow the economy, but that doesn’t mean we should do it.”
People will use the $ to pay down debt, they won’t spend it

Ngo, 8-25, 22, Madeleine Ngo covers economic policy for Vox. She previously worked at the New York Times, the Wall Street Journal, Bloomberg, and the Philadelphia Inquirer, Will student loan forgiveness make inflation worse?,https://www.vox.com/2022/8/25/23320825/student-loan-debt-forgiveness-inflation
Some proponents of student debt cancellation argue that the policy would have no impact on inflation. Alí R. Bustamante, the deputy director of the Worker Power and Economic Security program at the progressive Roosevelt Institute, said that an increase in wealth might not lead to much higher spending since consumers are likely to use that money to pay off other debts. They could also use that money to build up their savings, as many households have done during the pandemic, he said.

“So many of these folks actually lack any considerable economic buffer,” Bustamante said. “When you just take into consideration the demographics of it, you can see that any kind of increase in spending is actually very small.” Bustamante said the debt cancellation would provide some relief to Americans struggling to deal with inflation since it puts more money in their pockets and helps reduce the racial wealth gap, since Black students are much more likely to take out student loans and tend to borrow larger amounts. He also said it would help Americans who didn’t complete college, but still took on student loan debt.

AT: Not Fair.

This would mean that no effort to correct a historical injustice is fair

1. **Burgis 20'** The first thing to notice about this objection is that it would apply to any reform that makes people's lives better in the present. If we passed Medicare for All, no one from that point forward would have to pay for private health insurance premiums, co-pays, or deductibles again. Would this be unjust to everyone who had to pay through the nose for all of these things in the past? Or think about all the states that have legalized recreational marijuana. Is this unfair to all the people in those states who had to pay fines or serve time in prison for possession in the past? It would certainly be unfair to keep people who hadn't finished their sentences yet in prison after legalization. (This would be the equivalent of ending tuition without providing relief for people who were still struggling to pay off their loans.) But even there it's important to make a basic distinction. The unfairness of keeping people in prison for what was now legal would be a reason to free the prisoners. It wouldn't be a reason to keep marijuana illegal going forward. If a monster lives at the edge of town and makes a regular practice of eating bits and pieces of passersby, and after this goes on for years before the town finally brings in a monster hunter to put an end to it, do the people walking around with missing fingers because of past monster attacks have a legitimate complaint? In one sense they do, and in another they don't. It was unfair to these past victims that it took the town so long to bring in the monster hunter. It's not unfair that they're finally taking care of the problem. Money can't make up for missing fingers, but it might still be reasonable to financially compensate the past victims of the negligence of the local government. But what if we sharpen the example and have the monster kill its victims instead of just eating the occasional finger? There's no way to make restitution to the dead, but it would be (ahem) monstrous to treat that as a reason to let the monster continue to eat people now. After any reform is passed that ends an injustice, an abstract moral case can always be made for some form of reparations for past victims of that injustice. In some cases, it might make sense to actually do this. In others, it might be impractical or even impossible. But whether it's reasonable or possible to compensate people who have suffered in the past, that's never a reason not to end an injustice in the present.
2. **Debt Cancellation benefits low income borrowers the most** **Banarjee 21'** Student debt cancellation is a targeted, progressive policy that would benefit those struggling the most. While wealthier borrowers make larger monthly payments outright, student debt as a share of income is higher for lower income borrowers.7 Additionally, partially due to sky-high interest rates and misleading forbearance policies, most borrowers still owed

more than half of what they borrowed for college even 12 years after enrolling, with Black students being the sole group that owed more than what they borrowed after 12 years. 8 Therefore, lower income borrowers, especially Black borrowers, would benefit immensely from debt cancellation.

This would mean that no effort to correct a historical injustice is fair

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Yet even this considerably-less-than-half-measure was enough for the resurgence of the argument that sparing graduates currently hobbled by student loan debt would be unfair to those who had to go through the same ordeal in the past. Let's break that down. Fairness and Restitution. The first thing to notice about this objection is that it would apply to any reform that makes people's lives better in the present. If we passed Medicare for All, no one from that point forward would have to pay for private health insurance premiums, co-pays, or deductibles again. Would this be unjust to everyone who had to pay through the nose for all of these things in the past? Or think about all the states that have legalized recreational marijuana. Is this unfair to all the people in those states who had to pay fines or serve time in prison for possession in the past? It would certainly be unfair to keep people who hadn't finished their sentences yet in prison after legalization. (This would be the equivalent of ending tuition without providing relief for people who were still struggling to pay off their loans.) But even there it's important to make a basic distinction. The unfairness of keeping people in prison for what was now legal would be a reason to free the prisoners. It wouldn't be a reason to keep marijuana illegal going forward. If a monster lives at the edge of town and makes a regular practice of eating bits and pieces of passersby, and after this goes on for years before the town finally brings in a monster hunter to put an end to it, do the people walking around with missing fingers because of past monster attacks have a legitimate complaint? In one sense they do, and in another they don't. It was unfair to these past victims that it took the town so long to bring in the monster hunter. It's not unfair that they're finally taking care of the problem. Money can't make up for missing fingers, but it might still be reasonable to financially compensate the past victims of the negligence of the local government. But what if we sharpen the example and have the monster kill its victims instead of just eating the occasional finger? There's no way to make restitution to the dead, but it would be (ahem) monstrous to treat that as a reason to let the monster continue to eat people now. After any reform is passed that ends an injustice, an abstract moral case can always be made for some form of reparations for past victims of that injustice. In some cases, it might make sense to actually do this. In others, it might be impractical or even impossible. But whether it's reasonable or possible to compensate people who have suffered in the past, that's never a reason not to end an injustice in the present.

Debt Cancellation benefits low income borrowers the most

Asha Banarjee, Center for Law and Social Policy, January 2021, Ten Reasons to Cancel Student Loan Debt, https://files.eric.ed.gov/fulltext/ED610484.pdf

Student debt cancellation is a targeted, progressive policy that would benefit those struggling the most. While wealthier borrowers make larger monthly payments outright, student debt as a share of income is higher for lower income borrowers.7 Additionally, partially due to sky-high interest rates and misleading forbearance policies, most borrowers still owed more than half of what they borrowed for college even 12 years after enrolling, with Black students being the sole group that owed more than what they borrowed after 12 years. 8 Therefore, lower income borrowers, especially Black borrowers, would benefit immensely from debt cancellation.

AT: White people hold more debt, forgiveness helps them more

1. **White people hold more student loan debt overall because a much larger portion of them have attended college historically, and thus took out loans in the first place. Enrollment rates have only become comparable in recent years.**
2. **Even if you believe that there is more overall debt, the average debt per person for black people is significantly higher.** **Nerker 22'** Black students borrow — and owe — more than white students

RACE/ETHNICITY	SHARE WHO BORROWED	AMT. BORROWED	OWED/BORROWED
Black	**86.3%**	**$39,500**	**103.0%**
Hispanic	70.1	28,200	94.6
White	67.7	29,900	89.3
Asian	43.9	26,500	81.4

SOURCES: U.S. DEPARTMENT OF EDUCATION, NATIONAL CENTER FOR EDUCATION STATISTICS

86.3% of Black people took out loans, whereas only 70.1% of white people took out loans. On average, black people owe 10k more than white people