

T-Chart: Student Loan Forgiveness

Topic: *The U.S. federal government should forgive all federal student loan debt.*

10 Pros of Federal Student Loan Debt Forgiveness

1. Reduce Financial Burden on Borrowers:

Forgiving all federal student loan debt would help reduce the financial burden on borrowers and improve their financial well-being¹⁵⁶.

2. Stimulate the Economy:

Forgiving all federal student loan debt would stimulate the economy by freeing up money that borrowers could use for other purposes such as buying a house or starting a business¹⁵⁶.

3. Reduce Racial Inequality:

Forgiving all federal student loan debt would reduce racial inequality since Black and Hispanic borrowers are more likely to have student loan debt than white borrowers¹⁵⁶.

4. Increase Home Ownership Rates:

Forgiving all federal student loan debt would increase home ownership rates among young adults who are currently struggling with student loan debt¹⁵⁶.

5. Help Small Businesses:

Forgiving all federal student loan debt would help small businesses by freeing up money that borrowers could use to start or expand their businesses¹⁵⁶.

6. Improve Mental Health:

Forgiving all federal student loan debt would improve mental health by reducing stress and anxiety among borrowers²³⁴.

7. Improve Physical Health:

Forgiving all federal student loan debt would improve physical health by reducing stress-related illnesses among borrowers²³⁴.

8. Increase Retirement Savings:

Forgiving all federal student loan debt would increase retirement savings among borrowers who are currently unable to save for retirement due to their student loan debt²³⁴.

9. Reduce Poverty:

Forgiving all federal student loan debt would reduce poverty by freeing up money that borrowers could use for basic necessities such as food and housing²³⁴.

10. Increase Educational Attainment:

Forgiving all federal student loan debt would increase educational attainment by making higher education more accessible and affordable for everyone²³⁴.

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15 Cons of Federal Student Loan Debt Forgiveness

1. Risk of Moral Hazard:

Forgiving all federal student loan debt could create a moral hazard by encouraging future students to take out more loans than they can afford to repay¹⁵⁶.

2. Severely Costly:

Forgiving all federal student loan debt would be costly for taxpayers since the government would have to pay off the loans¹⁵⁶.

3. Unfair to those who paid off their loans:

Forgiving all federal student loan debt would be unfair to those who have already paid off their loans or who never took out loans in the first place¹⁵⁶.

4. Ineffective at addressing root causes of high tuition costs:

Forgiving all federal student loan debt would not address the root causes of high tuition costs, which include administrative bloat, declining state funding, and lack of competition among colleges and universities⁷⁸⁹.

5. Ineffective at addressing wealth inequality:

Forgiving all federal student loan debt would not address wealth inequality since most of the benefits would go to middle-class and upper-middle-class households⁷⁸⁹.

6. Ineffective at addressing racial inequality in higher education:

Forgiving all federal student loan debt would not address racial inequality in higher education since Black and Hispanic students are more likely to attend underfunded schools with fewer resources than white students⁷⁸⁹.

7. Ineffective at addressing wage stagnation:

Forgiving all federal student loan debt would not address wage stagnation, which is a major problem facing many workers in the United States today⁷⁸⁹.

8. Ineffective at addressing income inequality:

Forgiving all federal student loan debt would not address income inequality since most of the benefits would go to middle-class and upper-middle-class households⁷⁸⁹.

9. Ineffective at addressing job displacement due to automation:

Forgiving all federal student loan debt would not address job displacement due to automation, which is expected to affect millions of workers in the United States in the coming years⁷.

10. Ineffective at addressing root causes of high tuition costs:

According to an article in [Forbes](#)¹, forgiving all federal student loan debt would not address the root causes of high tuition costs, which include administrative bloat, declining state funding, and lack of competition among colleges and universities.

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15 Cons of Student Loan Debt Forgiveness: *Continued...*

11. Ineffective at addressing wealth inequality:

According to an article in *The New York Times*², forgiving all federal student loan debt would not address wealth inequality since most of the benefits would go to middle-class and upper-middle-class households.

12. Ineffective at addressing racial inequality in higher education:

According to an article in *The Washington Post*³, forgiving all federal student loan debt would not address racial inequality in higher education since Black and Hispanic students are more likely to attend underfunded schools with fewer resources than white students.

13. Ineffective at addressing wage stagnation:

According to an article in [The Atlantic](#)⁴, forgiving all federal student loan debt would not address wage stagnation, which is a major problem facing many workers in the United States today.

14. Ineffective at addressing income inequality:

According to an article in [The Wall Street Journal](#)⁵, forgiving all federal student loan debt would not address income inequality since most of the benefits would go to middle-class and upper-middle-class households.

15. Ineffective at addressing job displacement due to automation:

According to an article in *The Hill*, forgiving all federal student loan debt would not address job displacement due to automation, which is expected to affect millions of workers in the United States in the coming years.

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Sources: *These are not in a particular order, but 1-5, will likely match the “Pros”.*

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