

# NSDA Public Forum Debate (Nov-Dec 2023)

Topic: Student Loan Forgiveness

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### PRO SIDE

#### **PRO: Education Costs are "Staggeringly" High**

S: According to... Harvard Law School, October 2023

<https://clp.law.harvard.edu/knowledge-hub/magazine/issues/student-debt/introducing-the-september-2023-issue/>

F: *It states...* College students are facing staggering costs associated with getting a college degree. There are significant problems from student debt such as social, mental, and emotional harms.

C: *This means...* student loan forgiveness is important for the sake of tens of millions of people who suffer from the tremendously high cost of education and are experiencing serious financial problems as a result.

#### **PRO: Difficulties Finding a Good Paying Job**

S: According to... the Washington Post, June 25, 2019

<https://www.washingtonpost.com/business/2019/06/25/heres-what-trillion-student-loan-debt-is-doing-us-economy/>

F: *It states...* In the past, student debt was for those wanting a professional program for a career with high wages, but rising tuition and changes in the job market have made it too difficult for many people.

C: *This means...* forgiving student loan debt is important because degrees are tremendously expensive, yet they no longer guarantee a good paying job for those who graduate.

#### **PRO: Serious Reduction in Living Standards**

S: According to... the Washington Post, June 25, 2019

<https://www.washingtonpost.com/business/2019/06/25/heres-what-trillion-student-loan-debt-is-doing-us-economy/>

F: *It states...* Years of research show that post-college debt forces people to put off starting a family, buying a home, or even starting a business. Student loans prevented 400,00 families from buying a home, it also prevented people from having the money to start a business or even get married and start a family.

C: *This means...* student loan debt is directly responsible for millions of people to put off a better quality of life because their debt is too high, and this prevents them from making a better for themselves.

#### **PRO: Preventing Threats to the Economy**

S: According to... Forbes Magazine, October 31, 2023

<https://www.forbes.com/sites/forbesfinancecouncil/2023/10/31/student-loan-payments-are-back-the-domino-effect-on-the-us-economy/>

F: *It states...* The U.S. is preparing for a sizeable reduction in consumer spending. According to economists, the repayment of student loans will result cause a monthly reduction in spending of up to \$9 billion, or over \$100 billion annually. This increases the risk of a recession or could end up stalling our economic recovery.

C: *This means...* eliminating student loan debt can reduce the suffering of tens of millions of people by preventing "sizeable" economic harm to the economy and reducing their debt burdens.

#### **PRO: Debt Relief Boosts the Economy**

S: According to... Roosevelt Institute, January 2021

[https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI\\_UnburdenedCancellingStudentDebt\\_FactSheet\\_202101.pdf](https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf)

F: *It states...* With skyrocketing tuition and shrinking economic opportunities for young graduates, student debt is a strain our fragile economy cannot afford. We must act quickly to cancel student debt. Doing so would not only offer immediate relief to borrowers but provide a much-needed boost to the economy.

C: *This means...* when people spend the money instead of repaying it to the government, it will boost economic growth improving the lives of millions of people.

#### **PRO: \$108 Billion Dollar Boost to GDP**

S: According to... Roosevelt Institute, January 2021

[https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI\\_UnburdenedCancellingStudentDebt\\_FactSheet\\_202101.pdf](https://rooseveltinstitute.org/wp-content/uploads/2021/01/RI_UnburdenedCancellingStudentDebt_FactSheet_202101.pdf)

F: *It states...* Freeing up funds through debt cancellation would allow millions of borrowers to spend more in the economy. This can increase our GDP by up to \$108 billion over the next ten years.

C: *This means...* cancelling student debt will stimulate the economy for everyone's benefit making hundreds of millions of people better off with more opportunities to improve their quality of life.

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### PRO SIDE (Continued...)

#### **PRO: Rulemaking is Non-Binding (& Time-Consuming)**

S: According to... *Forbes Magazine*, July 17, 2023

<https://www.forbes.com/sites/alisongriffin/2023/07/17/negotiated-rulemaking-is-one-path-to-student-loan-forgiveness-heres-how-it-works/>

F: *It states...* Currently, the focus is on the Department of Education's negotiated rulemaking process. Even if the negotiated rulemaking committee reaches consensus, the decision is not binding and it will take time to gather, to review the issues, and come to consensus (or not), and submit a report back to the government.

C: *This means...* The SAVE Act and the rulemaking approaches are too time-consuming; people are suffering now and shouldn't have to wait months or even years (ex. ten years) to have their debt cancelled.

#### **PRO: Colleges Must Address Affordability Crisis,**

S: According to... *CNBC News*, August 9, 2022

<https://www.cnbc.com/2022/08/09/with-or-without-student-loan-forgiveness-college-still-costs-too-much.html>

F: *It states...* Meanwhile, tuition keeps going up, due, in part, to inflation and other pressures. We need to make colleges more affordable, says Temple University President Jason Wingard. Otherwise, "students are going to stop considering higher education as a viable choice, as a valuable choice."

C: *This means...* student loan forgiveness may not prevent higher prices, but if colleges don't make their degrees more affordable and more valuable then they will lose their customers.

#### **PRO: Strong Support for New Regulations**

S: According to... *Carolyn Fast, Director, Higher Education Policy, The Century Foundation*, July 26, 2023

<https://tcf.org/content/commentary/college-tuition-is-out-of-control-voters-want-government-to-do-something/>

Note: Carolyn Fast, Director, Higher Education Policy (Undergraduate: Harvard, Law Degree: Columbia).

Our research shows strong support for a government role in making tuition more affordable—a two-thirds majority of voters agreed that the government should do more to rein in prices (see Figure 3). Support for government intervention is strong across party lines. There is also strong agreement that the government has even more responsibility to regulate the price of tuition for schools that receive federal financial aid.

F: *It states...* Current research shows that there is strong public support for government to regulate the price of tuition.

C: *This means...* student loan forgiveness together with regulation can make a tremendous difference in people's lives. Forgiveness can help the people while the government takes action to regulate the colleges.

#### **PRO: Public Support for Capping Tuition**

S: According to... *Carolyn Fast, Director, Higher Education Policy, The Century Foundation*, July 26, 2023

<https://tcf.org/content/commentary/college-tuition-is-out-of-control-voters-want-government-to-do-something/>

Note: Carolyn Fast, Director, Higher Education Policy (Undergraduate: Harvard, Law Degree: Columbia).

Our research found that voters strongly support government action to cap the price of college at schools that receive federal funding. A strong majority of voters—75 percent—expressed support for a proposal to cap tuition at colleges and universities that receive government funding (see Figure 4). This includes support among 81 percent of Democrats, 70 percent of Republicans, and 69 percent of independents (see Figure 5). Many voters indicated that they supported government action to cap tuition because such action would make college more affordable or accessible (see Fig. 6).

F: *It states...* 75 percent of voters, a strong majority support a proposal to cap tuition at colleges and universities that receive government funding.

C: *This means...* with such a strong majority supporting such action, the government already feeling the public pressure will likely take action to make college more affordable, which means "forgiveness" is not needed to solve this problem.

#### **PRO: Preventing Anxiety, Depression, and Suicide**

S: According to... *Sara Novak, Scientific American*, August 24, 2023

<https://www.scientificamerican.com/article/student-loan-debt-takes-a-toll-on-a-vulnerable-populations-mental-health1/>

F: *It states...* Another study, published in April 2023 in the journal *Addictive Behaviors*, followed 331 college graduates and linked high debt levels with problematic drinking, anxiety and depression, especially among the most economically insecure graduates. In some cases, borrowers even expressed suicidal thoughts. Similarly, a March 2021 survey from the financial services company Student Loan Planner found that one in 14 participants within a group of about 2,300 loan borrowers with a high level of debt reported having suicidal thoughts that they attributed to that plight.

C: *This means...* if we forgive their debt, we can help millions of people who are suffering terribly from the stress.

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### PRO SIDE (Continued...)

#### **PRO: Causing Severe Mental Health Issues**

S: According to... Sara Novak, *Scientific American*, August 24, 2023

<https://www.scientificamerican.com/article/student-loan-debt-takes-a-toll-on-a-vulnerable-populations-mental-health1/>

F: It states... As these skirmishes play out, loan payments are set to resume on September 1 after a three-year pause during the COVID pandemic. Even though payments have not yet resumed, borrowers' stress levels have consistently remained high. A study published in the *Journal of Evidence-Based Social Work* analyzed 85,664 comments from Twitter and Reddit on student loan debt and mental health from 2009 to 2020. Researchers found high levels of mental health issues, including depression, anxiety and fear and anger associated with the loans. "It seems like a mountain too high for students, many of whom reported not having jobs," says Gaurav Sinha, an assistant professor of social work at the University of Georgia, who was lead author of the study.

C: This means... millions of people are suffering serious mental health problems due to the incredibly high amounts of debt and we need to forgive their debt to give them a fair chance at having a life worth living.

#### **PRO: Inflation Unlikely to Matter**

S: According to... *Forbes Magazine*, August 25, 2022

<https://www.forbes.com/sites/jonathanponciano/2022/08/25/student-loan-forgiveness-plan-wont-make-inflation-worse-even-if-it-adds-400-billion-to-deficit-goldman-says/?sh=2d04ecbd2e77>

In a separate note on Thursday, Bank of America came to roughly the same conclusion—saying the estimated increase in the deficit over the next ten years is of a similar magnitude to the estimated decrease from the Inflation Reduction Act (also only marginal), meaning the course of inflation would likely not be impacted.

F: It states... adding hundreds of billions of dollars to the national deficit would not likely make a significant change to inflation and would likely be offset by the Inflation Reduction Act.

C: This means... even total forgiveness would not likely lead to a significant rise in inflation and as such will not cause tuition to rise, will not make food more expensive, nor any of the other impacts our opponents have mentioned.

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### CON SIDE

#### **CON: Ignoring "Root of the Problem"**

S: According to... *the Brookings Institution, August 25, 2022*

<https://www.brookings.edu/articles/bidens-student-debt-cancellation-doesnt-solve-the-root-problems-facing-borrowers-but-its-a-start/>

F: *It states...* cancelling loan repayment will not address the root of the problem, which is the 300% increase in tuition over the last 30 years - by not changing the system, we are putting future borrowers at risk.

C: *This means...* we will spend more than a trillion dollars on a program that does nothing to address the cause of these problems. This could invite a repeat of even higher costs and even more borrowing.

#### **CON: Wealthiest People Benefit Most**

S: According to... *the U.S. Congress, Ways and Means Committee, October 2, 2022*

<https://waysandmeans.house.gov/study-wealthy-reap-vast-majority-of-benefits-from-bidens-student-loan-giveaway/>

F: *It states...* Wealthy people benefit most from a loan giveaway, despite an intent to target low-income borrowers, up to 65% of the repayment pause and cancellation goes to the top 50% of the income scale.

C: *This means...* student loan forgiveness fails miserably by giving away more than a trillion dollars and mostly forgives the people who don't really need the help.

#### **CON: "SAVE" Already Helping Low-Income Families**

S: According to... *CNBC News, August 31, 2023*

<https://www.cNBC.com/2023/08/31/save-student-debt-repayment-plan-pros-and-cons.html>

F: *It states...* for low-income families, the current loan program will not exceed 10% of their discretionary income. Meaning if they are at or slightly above poverty then their payments will be reduced to zero.

C: *This means...* without a monthly payment they won't need forgiveness to provide for their family. After ten years, the loan can be forgiven. So, targeted repayment is better than forgiving all debt to everyone.

#### **CON: Program Mismanagement Creates Costly Mistakes**

S: According to... *NPR News, July 29, 2022*

<https://www.npr.org/2022/07/29/1114560119/student-loan-program-cost>

F: *It states...* The GAO reports a \$311 billion difference between what student loans should cost, due to program mismanagement and changes to the income-driven repayment plan.

C: *This means...* attempting to forgive student loan debt has been a disaster and far more costly than had previously been predicted – wasting hundreds of billions of dollars.

#### **CON: Government Income is Severely Reduced**

S: According to... *Slate Magazine, March 24, 2021.*

<https://slate.com/business/2021/03/student-loan-total-annual-government-payments.html>

F: *It states...* each year the government collects around 70 billion dollars from student loan repayments of which 20 billion dollars is the interest.

C: *This means...* forgiving student loan debt will cause millions of people to suffer due to significant budget cuts, which will likely include education funding and social programs.

#### **CON: Domestic Spending Cap Forces Trade-Offs**

S: According to... *Wall Street Journal, November 1, 2023*

<https://www.wsj.com/articles/biden-domestic-spending-congress-ukraine-taiwan-israel-bcc0433c>

F: *It states...* The White House notes there's bipartisan support for many of its funding proposals, which may be true. But Democrats and the GOP's pork-barrel spenders agreed to this summer's debt-ceiling deal that capped domestic spending. Mr. Biden could ask Congress to include his proposals in individual appropriations bills if they are a priority, but that would mean making choices not to fund other things.

C: *This means...* since domestic spending has been capped, the only way to pay for the loan forgiveness would be to cut existing domestic programs such as the money for education and/or social welfare.

#### **CON: Ineffective vs. Rising Tuition Costs**

S: According to... *Council on Foreign Relations, Last Updated: August 22, 2023*

<https://www.cfr.org/backgrounder/us-student-loan-debt-trends-economic-impact#chapter-title-0-7>

F: *It states...* Targeted relief may be the fairest approach yet is will not prevent universities from raising tuition and other costs related to education.

C: *This means...* forgiving all student loan debt will fail to solve the root problem and is probably the most unfair approach to dealing with the situation as it rewards wealthy people more than anyone else.

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### CON SIDE (Continued...)

#### **CON: Making Existing Problems Worse**

S: According to... Dr. Vance Ginn, Economist, Library of Economics and Liberty, October 20, 2023

<https://www.econlib.org/bidens-student-loan-forgiveness-plan-makes-the-poor-pay-for-the-rich/>

While the intention behind President Biden's student loan forgiveness may appear noble (in likelihood, it is a rent-seeking move), the results may prove detrimental to our nation's economic stability and fairness. And if the debt is monetized, more inflation will result. Forgiving student loans will exacerbate existing problems, with the brunt of the burden falling on lower-income Americans. Instead of improving the situation, it will likely create an intricate web of financial consequences, indirectly affecting the very people it aims to help. But that is the result of most government programs with good intentions.

F: *It states...* forgiveness harms our economy and reduces fairness because it causes inflation to rise, which will make existing problems even worse. So instead of improving the situation it ends up harming the very people it tried to help.

C: *This means...* student loan forgiveness will cause tens of millions of people to suffer. Instead of making life better for low-income families, minorities, and women it will instead harm the economy and ultimately make their lives even worse.

#### **CON: Assumptions of Economic Growth are Unfounded**

S: According to... the Texas Public Policy Foundation, May 4, 2022

<https://www.texaspolicy.com/the-economic-problems-with-student-loan-forgiveness/>

In summary, the notion that student loan forgiveness would stimulate the economy is incorrect. While some forgiveness advocates argue the multiplier is 1.5, this result relies on questionable simulations and bizarre assumptions (such as ignoring the Fed's response) that artificially inflate the multiplier. The actual multiplier is likely to be close to zero or even negative.

F: *It states...* The idea that student loan forgiveness would stimulate the economy is incorrect because it relies on questionable simulations and assumptions, which are artificial. The actual multiplier is close to zero or even negative.

C: This means... any evidence assuming the economy will grow is invalid due to severe flaws in their calculations.

## **NSDA Public Forum Debate (Nov-Dec 2023)**

Topic: Student Loan Forgiveness

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CNBC News, August 9, 2022

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The Century Foundation, July 26, 2023

<https://tcf.org/content/commentary/college-tuition-is-out-of-control-voters-want-government-to-do-something/>

Author: Carolyn Fast, Director, Higher Education Policy (Undergraduate: Harvard, Law Degree: Columbia).

***Student Loan Debt Takes a Toll on a Vulnerable Population's Mental Health,***

Sara Novak, Scientific American, August 24, 2023

<https://www.scientificamerican.com/article/student-loan-debt-takes-a-toll-on-a-vulnerable-populations-mental-health/>

***Biden Has a Choice: Guns or Butter,***

Wall Street Journal, November 1, 2023

<https://www.wsj.com/articles/biden-domestic-spending-congress-ukraine-taiwan-israel-bcc0433c>

***Is Rising Student Debt Harming the U.S. Economy?***

Council on Foreign Relations, Last Updated: August 22, 2023

<https://www.cfr.org/backgrounder/us-student-loan-debt-trends-economic-impact#chapter-title-0-7>

***Biden's Student Loan Forgiveness Plan Makes the Poor Pay for the Rich***

Vance Ginn, Library of Economics and Liberty, October 20, 2023

<https://www.econlib.org/bidens-student-loan-forgiveness-plan-makes-the-poor-pay-for-the-rich/>

Note: Vance Ginn, Ph.D., a chief economist or senior fellow at multiple state think tanks across the country, and former associate director for economic policy of the White House's Office of Management and Budget, 2019-20.

***The Economic Problems with Student Loan Forgiveness,***

Dr. Andrew Gillen, Economist, Texas Public Policy Foundation, May 4, 2022

<https://www.texaspolicy.com/the-economic-problems-with-student-loan-forgiveness/>

Note: Andrew Gillen, Ph.D., is a senior policy analyst for the Next Generation Texas initiative at the Texas Public Policy Foundation and an adjunct professor of economics at Johns Hopkins University.

***Student Loan Forgiveness Plan Won't Make Inflation Worse - If Adds \$400 Billion To Deficit, Goldman Says,***  
Forbes Magazine, August 25, 2022

<https://www.forbes.com/sites/jonathanponciano/2022/08/25/student-loan-forgiveness-plan-wont-make-inflation-worse-even-if-it-adds-400-billion-to-deficit-goldman-says/?sh=2d04ecbd2e77>