

CONGRESSWOMAN AYANNA PRESSLEY
SENATE BANKING SUBCOMMITTEE TESTIMONY

April 13, 2021

Good Afternoon, Madam Chairwoman, Mr. Ranking Member and distinguished members of the committee. Thank you for the opportunity to testify here today.

I believe that each day it is our privilege and responsibility as lawmakers to center the people. We are in a position to fundamentally change the lives of the people we represent with the stroke of a pen. When the history books are written, this moment will be defined by the actions we took in the face of unprecedented crisis and economic pain.

I have become all too familiar with the gentle tug of my sleeve or the panicked expression as I meet the eyes of someone drowning in student debt. The grandmother, who is still paying off student loans for credits at an institution that shuttered its doors without a degree in hand. The young mom who can't afford childcare and her student loan payments that outpace her rent. The teacher who fears every month that he's putting his teaching license at risk because he can't come up with the minimum payment on his student loans.

The student debt crisis is not naturally occurring. This crisis was crafted in these hallowed halls. Policy decisions were made that ensnared generations in the student debt trap. Congress crafted through policy and deregulation an economy where college degrees are increasingly essential for economic survival but their sticker price is far out of reach for many families.

Make no mistake, the student debt crisis has always been both a racial and economic justice issue. It's past time we speak plainly about the fact that the student debt crisis has exacerbated deeply entrenched racial and economic inequities in our nation.

In the City of Boston, the City my family calls home, the average median wealth of a white family is \$247,500. The average median wealth of a Black family is \$8,800. That is not the result of ingenuity, work ethic, or initiative. That is the result of precise and intentional policy decisions made in the halls of this institution and at every level of government all the way down. Discriminatory policies that systematically denied families of color the opportunity to own a home or build wealth.

So for our students who don't have the benefit of intergenerational wealth – specifically our Black and brown students - signing on the dotted line for those student loans has been the only way to pursue a degree. Black, brown, and first generation students, too, deserve a wage. They deserve the freedom to build a full life and pursue their unique gifts and contribute to every sector of the economy.

We must take bold action to address the inequities and disparities in our country and use every tool available to provide our communities with the critical relief they so desperately need.

Our nation and this committee are facing an economic crisis.

Canceling student debt—by executive action—is one of the most effective ways President Biden can provide sweeping relief to millions of families, help reduce the racial wealth gap, and begin to build the groundwork for an equitable and just long-term recovery.

If President Biden is serious about closing the racial wealth gap, then he must use his executive authority to issue broad-based, across the board student debt cancellation.

It is clear that Congress gave the President the authority to do so through the Higher Education Act. I implore him to use this authority in the pursuit of economic and racial justice.

During the 2008 financial crisis, lawmakers bailed out Wall Street and abandoned Black and brown communities who lost everything. Many have yet to recover.

In a matter of months, student debt payments will resume for millions of people across this country. These same people, disproportionately people of color, who are now struggling with pandemic-related financial stress through no fault of their own, will have an additional bill to keep them from reaching economic stability and peace of mind.

So, as we work to ensure an equitable and prompt recovery to the current economic crisis, we can't afford to make the same mistakes of the past. We must be intentional and precise. And student debt cancellation is an efficient and effective way to provide families across this nation with economic relief and opportunity.

In the Commonwealth of Massachusetts, over 855,000 student borrowers owe more than \$33.3 billion in student loan debt. Their average student loan balance is more than \$35,000.

I represent the Massachusetts 7th Congressional District – one of the most vibrant and diverse districts in the country—but also one of the most unequal.

In every state and every district across the country, student debt is trapping our constituents in an income to debt ratio that prevents them from securing mortgages and loans to start businesses that would contribute to the economy and our communities. As lawmakers, we have a responsibility to ensure that our long-term recovery efforts leave no community behind.

We must invest in the people.

That's why student debt cancellation is good economic policy. It is an investment in the people—particularly Black and Brown families.

That's why Senator Warren and I, in partnership with Senate Majority Leader Schumer and our colleagues have led a resolution that calls on President Biden to cancel \$50,000 in student loan debt and lays out a pathway for him to do so.

With the stroke of a pen, President Biden can provide direct relief to tens of millions of families across the country, help close the racial wealth gap, and set our nation on a path to a long-term, equitable recovery.

I'll close today where I started, centering the people, in their own words. A constituent of mine recently shared their story with me: We are a family of 5 with a child with disabilities - I have over one hundred thousand dollars in student debt. I put myself through my bachelors and masters with children. I've had to file bankruptcy because of my student debt - please don't forget about us in this process. Please think of us when talking about debt relief. Lord knows it would change our lives.

I know what it feels like to wake up in a cold sweat over a student loan in default. The economic anxiety and pressure caused by student loan debt is an experience far too familiar for Americans. But those of us

with a comma and a title after our name are in a position to make a profound impact. President Biden can cancel student debt and together we can build a more just economic system. Thank you.