

March 25, 2021
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Forgive Student Debt

Guests:

For the Motion: Ashley Harrington, Dalié Jiménez
Against the Motion: Nick Gillespie, Beth Akers
Moderator: John Donovan

AUDIENCE RESULTS

Before the debate:

51% FOR

31% AGAINST

18% UNDECIDED

After the debate:

73% FOR

25% AGAINST

3% UNDECIDED

Start Time: (00:00:00)

John Donovan:

Hi, everybody. I'm John -- do this again. Hi, everybody. If you are in college or have been to college and you had to borrow money to make that happen, this is a conversation -- this is a debate that you're going to want to hear. I'm John Donovan, this is Intelligence Squared.

So, now we have the animation running. And we'll be back in -- I'll be told, in just a second by -- actually, I don't have the cues in my ear, David.

David Ariosto:

John, you can just take it straight away. You don't need to wait for my cues.

John Donovan:

All right.

David Ariosto:

I'll probably be fixing in the post.

John Donovan:

Okay. Oh, we'll be doing in a post, okay. Okay, everybody. So, this is a special VIP event. A more refined version of what you're seeing happening right now will be airing online and across National Public Radio starting on March 26th.

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00:01:03

That means that you are getting an early and more comprehensive look at it, and we would like you involved. First of all, you're going to get to talk to these debaters by asking them questions. You can get those questions into us by using the Q and A tab on your screen. Also, I suggest you pay some attention to the chat box, which should be available to you just to the side of, or under the screen box that I am in. Our producers are going to be putting information in there for you. And also, you and your fellow audience members can, if you want, keep up some running commentary of your own.

The second way that we want you involved is that you are going to decide who wins this debate. You're going to do that by voting. You're going to vote twice at our request once in just a few seconds, and once again after you have heard all of the arguments. And the way that we work this is that the team that sways the most minds between the first and the second votes, is the team that will be declared our winner.

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We are also going to be opening this up to a broader audience to vote until April 1st, essentially - so that we can take the temperature of the whole nation on this issue.

So, on the voting, let's get to that first vote because it's time to cast it now. We're going to ask you to do that by going to iq2vote.org. That's I-Q the number two, vote.org. I'll give you just a second to pull that up on a new tab, and you can do that from any browser. Of course, you can also do it on your cell phone. It's I-Q, the number two, vote.org. And when you get there, you will see that you are given a choice of four against or undecided. So, please make one of those choices. Undecided, of course, is a perfectly reasonable starting position. Again, this is your first vote. And again, we're going to be asking you to vote a second time after you've heard the debate. And that will determine who we name as our winner.

00:03:00

So, if you haven't already gotten in your first vote, one last time, go to iq2vote.org. I'll give you one more second to get that first vote in. Okay, now, it's time to meet our debaters. And I'm assuming that that animation will be added later. There's a church bell ringing across the street from me. I don't know if you can hear it. But it's noon, and I'm going to let it finish. Unless you like the effect, David. It feels very ominous or academic perhaps.

Beth Akers:
I thought it was on purpose.

Dalie Jimenez:
Me too.

John Donovan:

No. All right. So, now we're coming back from that animation. You're now, from this moment on, all going to be on camera and the debate begins. So, here we are, all four of us together. I want to thank Dalie and Ashley and Beth and Nick for joining us live. How are all of you? I hope you're well.

00:04:02

Beth Akers:

Great. Thanks for having --

Dalie Jimenez:

Thank you.

Ashley Harrington:

Thanks for having us, yeah.

John Donovan:

It's great to have you. And let's just get started with round one. Round One is comprised of opening statements from each debater in turn. Those statements will be four minutes each. Our motion again is, Forgive Student Debt. And first step to speak for the motion, here is Ashley Harrington. Ashley, the screen is all yours.

Ashley Harrington:

Thanks, John. We must cancel student debt. We are at \$1.7 trillion for 44 million people. And while so many of us were told that this is good debt, the kind of debt that helps you. It helps you build financial security and well-being. That is not the experience of so many of those 44 million. Student debt is burdening our society in ways that we can't even -- that we don't even fully understand.

00:05:00

And it is disproportionately weighing on borrowers of color, Black borrowers in particular, who are more likely to borrow, to borrow more and to struggle in repayment. And that is the direct result of centuries of racially exclusionary policies and practices that continue to this day.

Cancellation will disproportionately help those borrowers and other low income, low-wealth borrowers who believes that the idea that this debt would help them, that it would push them forward. But the promise of that and the promise of the Higher Education Act that Lyndon B. Johnson worked so hard for in 1965 has not been met. This is also an economic issue. Canceling student debt will put tens of billions of dollars back into the economy over the next decade. This is at a time when we are a year into a global pandemic and recession. We have lost lives. We have lost jobs. We have lost small businesses.

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Our economy and our society will never be the same. And just like the student debt crisis is disproportionately affecting communities of color, so too is the pandemic and the current recession.

And keep in mind that we entered the pandemic in the recession in unequal places. So many communities and families never recovered from the Great Recession. Communities of color lost over a trillion dollars in wealth that has never been regained. So, the recovery that had started leading up to this pandemic wasn't for everyone. Everyone wasn't included. And now student debt is a -- student debt had already been exacerbating that and is making it worse. If we want to advance racial equity, if we want to provide an economic stimulus that will help everyone, because everyone is helped if more money's in goes into the economy. Everyone is helped if these -- if folks can buy houses, start businesses, save for retirement. That impacts all of us.

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And if we want to have a recovery from COVID-19, that is more inclusive and equitable than the recovery post Great Recession. Canceling student debt has to be a part of that. It's also a solution that is easier to -- so much easier to accomplish than other policy solutions. We all watched as we waited six, nine months for \$600 checks and then -- and another stimulus package.

Congress has already given the President the authority to direct the Secretary of Education to cancel student debt. President Biden can cancel student debt on his own using the same authority that President Trump used last year when he cancelled student debt payments and waive interest. And Joe Biden use that same authority this year when he extended that pause. But more is needed. We are at a place in this economy and in our country that is unprecedented. And so, there has to be a solution that is bold and meets the moment.

00:08:00

That's why you should vote with me to cancel student debt, with us.

John Donovan:

Thank you, Ashley Harrington. Our next debater will be arguing against the motion to cancel student debt. Here is Nick Gillespie. Nick, the screen is yours.

Nick Gillespie:

Thanks very much. You know, I come to this as a beneficiary of student loans. I took out student loans to pay for my undergrad as well as my master's and PhD level programs. And without student loans, I may not have been able to go to college or certainly not in exactly the same timeframe. So, I understand the program and I benefited from it. And my experience with that as well as being a parent who has paid for college for two children, one is still in college but I banked the money for him. I'm urging you to join myself and Beth to say no, don't cancel student debt on mass because that's the proposition in front of us. It's the Bernie Sanders proposition essentially, which is just wipe it out.

00:08:58

Wipe out the \$1.7 trillion of debt, 40. -- you know, I've seen numbers from 43 million to 45 million. Ashley's 44 is right in the middle, let's go with that. And the reason why I'm saying that is because we are mistaking an aggregate number for the effect on individual people, which is generally extremely beneficial and very manageable. So, let me put some human face on that.

About 56 percent of people who graduate with a B.A. have some student loan. The average student loan is about \$28,800 according to the college board. The median is actually significantly lower, but let's use that higher average number. At current interest rates for student loans, for federal student loans, to pay back in 10 years, that works out to about \$275 a month. What happens with that? When you go to college, you increase your lifetime earnings somewhere between 250,000 to a million dollars, depending on -- you can -- there are many, many other measures that are somewhere in between that.

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But it is a smart move to go to college, and it is a smart move to take out \$28,800 in order to do it because you're going to be making so much more money.

One of my colleagues at Reason, Peter Sudirman, has noted that annually, a college graduate makes about \$17,000 more per year than a high school graduate. I benefited from that. I was able to enrich my human capital on that. You'll hear from people like Bernie Sanders that he's met people who have \$300,000 in student debt. Half of all the dollars in student debt is for graduate school. And much of that is for things like law school and medical school. We don't have to forgive people's debt if they're going to law school or medical school, right, or graduate school, more generally speaking, I would say. And we don't have to forgive everybody's debt because some people are struggling to repay their debt.

I like the idea of helping poor people. I grew up lower middle class.

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I benefited from some financial aid. It helped me get to a place. Right now, I'm paying far more in taxes than I would be otherwise. At my current state, I do not need relief from student debt from -- you know, either that of, you know, my kids or whatnot. And it would be insane in a moment when we have unprecedented national debt, which is constantly growing like a doubling cube and a game of backgammon. It's just going up and up and up to say people who are making \$100,000 a year, \$200,000 a year, a \$1 million a year, "Hey, you don't have to pay your student debt," which is the type of proposal that's in front of us. If there are targeted people who we can help, give them more money so that they can get the opportunity to participate more fully in society. That means lower income people. That's a different issue than saying, "You know what, let's forgive millionaires and their kids their student debt," rather focus on the benefits of going to college, taking out debt to get through it and then figuring out how to live the life that you want to, as fully as possible.

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So, don't forgive student debt for everyone. If anything, what we need to do is to make college more affordable in ways that getting rid of student don't -- won't live -- you know, won't even addressed. And I'll get to that into my closing statement. So please, don't cancel student debt.

John Donovan:

Thank you, Nick Gillespie. Now, you've all heard the first two opening remarks. And before we get to the third, I want to remind you that you can submit questions for our debaters, and you can send those in now using the Q and A tab on your screen. You have more time to get those in. And we really want to have you be part of the conversation in that way. All right, next up on screen, she'll be making an opening statement in support of the resolution forgive student debt. Here is Dalie Jimenez. Dalie, the screen is yours.

Dalie Jimenez:

Hi. Thanks, everyone. I'm going to agree with Nick on the proposition that student debt helps many.

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It helped me as well as an immigrant, but it really doesn't help everyone. And it particularly disproportionately does not help Black and Brown students. Black families earned just 80 percent of what White families with the same level of education do. And Black women earned just 63 percent on the dollar that is that is paid to White men with the same degree. So, they have to obtain the same or even more credentials than what people do to earn less than they do. And they begin -- because of centuries of racial exclusion. They begin behind they begin with less wealth than other groups.

So, yes, education is generally a great bet. But the idea of forcing people to take a bet as an individual as opposed to society taking a bet on individuals. The idea that they have to take this back that is quite risky, particularly for Black and Brown people, has been a mistake.

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It has been a policy mistake. It is a failed policy. We need to stop -- we need to forgive student debt and we need to stop using student debt as the only way that poor people can get ahead in this country. We need to stop doing that, so it's a separate debate.

But right now, we have 44 million people who have student debt. And, yes, some of them have hundreds of thousands of dollars, and they will be fine. I was one of those lucky. Hundreds of thousands of dollars, I am fine. I do not need to forgive my student debt. I already pay my student debt. I don't want anyone to have to go through that if they are struggling. I don't want anyone to have to go to default if they're struggling, and we can -- right now, as Ashley said, President Biden can do this by directing the Secretary of Education to forgive the debt of as many students as he would like.

The education is a public good. We want people with education. We want -- they have better health, they're less likely to be involved criminal issues.

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They pay more in taxes. They're more engaged in political and civic life. We need an educated public. But deciding to support higher education by forcing students who couldn't afford it to take out loans. We made a mistake. And as tuitions have soared and we told young people they need to go get a degree or multiple degrees to succeed, that's what they've done. And yet, here we are, 1.7 trillion and continuing to rise with no end in sight.

And now, we are in the middle of another crisis where Black and Brown people are affected disproportionately. And we have -- right now, we're starting to stop gap. People are kind of -- many of them are holding on to see what happens. This is the time to do it. We have other programs and income-driven repayment, et cetera, which are essentially on paper, a kind of cancellation. But really, it's a cancellation only for people who can jump through a million hoops who do the right people work every year. And only if they do this for many -- for decades, literally.

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And it's just wrong to tell these people that they need to hold on for this long in order to forgive their student debt, which they are struggling with paying and it would affect the economy positively immediately. It would actually put a number of people, Black and Brown people in particular, into positive wealth territory where right now they're in negative wealth.

We are also spending way too much money to service this debt. Okay, the department education doesn't actually release many numbers. But as far as we can tell, they are in bankruptcy. For example, they spent thousands of dollars so that a person who owes a couple of thousand -- \$5,000, \$10,000 does not get that forgiven in bankruptcy because it is difficult to do it, and the department education often opposes those cases. And they spent thousands of dollars to do it. They're squeezing blood from a stone. It is not going to work. We should just forgive student debt.

John Donovan:

Thank you, Dalie Jimenez. And our final opening statement is against the resolution to forgive student debt. Beth Akers, the screen is yours.

00:17:04

Beth Akers:

Thank you. Forgiving student debt, it's the policies sledgehammer that we have now on the table as a solution to all that ails higher education. The problem is, is that what we need is a much more nuanced solution. And there are two primary reasons for that, that I want to argue right now. First, students with student debt, people with student debt, are not this homogenous group of economically downtrodden individuals that is often characterized in the media. If you've

learned about student debt through reading the newspaper, you've probably imagined that people with student debt are all of the same sort, all economically disadvantaged. There's a few facts that I want to convince you that that's just not true.

What we know is that children from higher income families actually take on more student debt than children from more disadvantaged families.

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That's because they go to school longer, they go to more expensive schools, and they often go on to graduate school. And so, you know, this is a benefit that's being taken advantage of by people who are already quite well-off in the economy. The other fact is that more than half of the outstanding student loan balance in the economy today is held by people who are in the top 40 percent of the income distribution. What that means is that if we were to forgive this debt, this would be a hugely regressive policy. Yes, people with low income would benefit. But people with high income would actually benefit statistically much more. To me, that's a very poor way of crafting a solution.

And the last thing is that we see that people who are defaulting and actually really struggling on these loans are not those six-digit borrowers that you often read about in the newspaper. What we see is that the ones who are hurting are people with small balances. Statistically, the people with less than \$5,000 in student debt are the most likely to default on their student loans.

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That's because they don't have the benefit of a degree to go out into the labor market and have the extra earnings to make that repayment affordable.

Here's the other thing I'm worried about. If we do this, things are about to get way worse. So, we've had -- the -- my fellow debaters referencing tuition inflation as a problem over borrowing, people using the loan system to finance their entire education. These are concerning things today. What happens if we wipe away all of the student debt today to the student who's going to college tomorrow? I advise students on how to use the federal aid system to their advantage to make the most out of the dollars that they do have and make the most out of their education. And what I suggest is that they borrow every penny. The reason is this. Student loan capital is really cheap compared to cash. If you've got cash in your pocket, you should still borrow to pay for school. It's a low-interest rate and you get a higher return in the market.

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The second thing is, is that you have the opportunity to be eligible for forgiveness if you end up with not a huge income after you graduate. Those problems become exacerbated if we forgive student -- start forgiving student debt in mass today. So, if we have mass cancellation today, very likely in the next few years, we're going to have tremendous pressure building up on politicians who will just go ahead and do that again. The next effect of that is that we've got colleges with students coming to them saying, I've got all this cash to spend through the federal

lending program. And the colleges are going to increase their prices. So, the problem of out-of-control tuition inflation that we're already seeing today will only be exacerbated by the problem that people are able to borrow with the expectation that they're not going to have to pay it back. So, we're compounding the problems that we all see as core problems today. And that's why I think that we need to vote, no. No student loan cancellation. We need a much more nuanced solution.

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John Donovan:

Thank you very much, Beth Akers. And that concludes round one of our Intelligence Squared debate where our resolution is forgive student debt. And now we move on to round two. And round two is a more conversational round. The debaters address one another directly. And they also take questions from me to get things moving.

And what I think I heard in the opening round was definitely some areas of agreement. I think everybody on the panel agrees that colleges become ridiculously expensive. I think everybody agrees that college, at least in theory, is a ticket to a better -- a life to more opportunity, potentially to higher incomes, depending on their status and situation. So, there's some agreement there, but there's clearly disagreement on the past and the present effects of the loan programs that have been effect -- in effect since the mid-1960s.

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And I want to talk to you, Ashley, actually the question -- a question based on my perception that your opponents, Nick and Beth, are -- what I hear them opposing is a kind of mass present day, mass forgiveness of debt, which is to some degree on the table as a result of recent political campaigns and the Democratic Party committing in its platform to the idea of \$10,000 across the board debt. But certain candidates wanted to go much farther than that. And then your opponents are saying across the board doesn't make sense. We should be targeting individuals if we're going to forgive because not everybody needs it.

Then I heard your argument really focused around people of color being those who are the ones who are challenged. So, my question to you is, is there some actually room for agreement in the sense that you're not actually arguing either for across the board because your focus seem to be on people who were more challenged by being economically marginalized?

00:23:02

So, what about that? Is there room for agreement there, or do you think that across the board really is the way to go?

Ashley Harrington:

So, across the board is the way to go. And that's for a number of reasons. First, I want to just be very clear. I tend to be optimistic and think that we live in a country where we can implement and have more than one policy solution at a time. We can absolutely cancel student debt and

make lives better for millions of people and help the economy and do something about the rising cost of college and the affordability crisis. Because what's driving up tuition will not be canceling student debt, it's going to be the budget holes in the state government budgets like after the last great recession and all of that, and some of that cost being passed on to students and families. It's the lack of accountability for-profit colleges in the system that raise tuition for poor quality products and are responsible for most of the defaults and non-completions.

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So, there are other ways to deal with the rising cost of college as being passed on to their families. Doubling the Pell Grant, that we can do. And we can do these things simultaneously.

Also, let's remember, income and wealth are not synonymous. And it is a very different experience at the same income level, when you have family income, generational wealth, and you don't. And most people of this -- in color in this country don't. Black families have a 10th of the wealth of White families. Latino families have an eighth of the wealth of White families. So, this is very different.

I think we have to remember to put this in context and I -- and so across the board is best because whenever a barrier is placed, whenever we make someone prove they are deserving of something, I want to be very clear, the only people that we make -- prove they are deserving or something in this country are poor people, when we want to give out benefits. We make people prove they deserve to have benefits. But we don't do that any other time.

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We didn't do that when we were giving out land and G.I. Bill benefits and denying people mortgages, right? We made -- we didn't -- we made people do other things.

So, I think -- so when you put up barriers, you automatically are putting up barriers that that are going to leave out the marginalized, the vulnerable, right? That's the same thing that we see. Dalie was talking about the problem with income-based forgiveness. Only 13 people have gotten IDR forgiveness. Very few people have gotten public service loan forgiveness.

John Donovan:

Well, let me -- can I break in, Ashley? Because I actually want to get some response to the point that you made just before that one from your opponent. So, Nick Gillespie, what I think I hear actually saying is across the board is sort of the way to get it done because -- I think what I heard Ashley arguing is that it --

Ashley Harrington:

And, John --

John Donovan:

It removes the barrier for people to have to prove that they need it, if the program can be just --

Nick Gillespie:
Well, I --

00:25:57

Ashley Harrington:
And, John, I just want to say --

John Donovan:
Sure.

Ashley Harrington:
-- we're advocating \$50,000 of cancellation per borrower. That's what I'm -- that's what we're talking about right now.

John Donovan:
Okay.

Nick Gillespie:
Which is going to care of most undergrad. Only 2 percent of undergrads have more than 50 percent student loans. But again, as Beth was talking, about people -- that includes a huge number of rich people. And by rich people, let's say people are making 50 percent more than the median household income, you know, 90 or \$100,000. There is no reason on God's green earth that wealthy people should not be paying their way. And when they take out loans or their kids take out loans, they should pay them back. We do not have an unlimited amount of money that the government can simply start saying, we're going to start paying things off. I think Dalie talked about debt service and things like that.

Debt service for the federal government is already the third largest annual item on the federal budget. And it's going to soon be bigger than Medicare and defense spending. You know, you can't just keep, you know, printing money one way or the other to pay off things like that.

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We should live in a society where people with means pay their way. And then we help people who need help in order to participate fully in society, whether it's through going to college or a variety -- or giving them access to better schools in K through 12 and things like that. So, I think there's that.

The one thing that I do want to point out is for all the discussion of college being out of reach of average people or middle-class people. And again, when you hear people like Bernie Sanders and Joe Biden and Elizabeth Warren start to talk, suddenly, they're talking about people who are making hundreds of thousands of dollars who don't need the help. I mean, it's a very weird arbitrage of a class-based argument or an identity politics-based argument that ends up somehow it's wealthy people who are getting the benefit. But the National Center for Education Statistics keeps a rolling average of low-income people. The percentage of low-income high school

graduates who enroll in college. And it's at 69 percent. For the last year that it was counted, it was 2016, it's at 69 percent and all-time high.

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When you look at the number of high school students who are immediately enrolling in some form of college, again, always near or at an all-time high. And it's increased massively since 1970 from maybe 50 percent and it's --

John Donovan:
Okay, let me --

Dalie Jimenez:
Can I just --

John Donovan:
I see Dalie is trying --

Dalie Jimenez:
-- respond to some of that.

John Donovan:
-- looking very impatient obviously. Go ahead, Dalie.

Dalie Jimenez:
Sorry. So, I mean, I want to jump in there on this idea that, you know, the rich people are taking advantage of student debt and maybe they are. But the point is that they're rich, and so they have wealth to fall back on if you're in default. The rest of the -- of people do not. And they --

Nick Gillespie:
So, were not talking about that. We're talking about forgiving debt. Why should somebody who --

Dalie Jimenez:
Yes. Yeah.

Nick Gillespie:
-- who comes from that household --

Dalie Jimenez:
So, if we forgive --

Ashley Harrington:
Income and wealth are not the same. If you're making \$90,000 but you can't buy a house, are you wealthy?

Dalie Jimenez:
If your family has no money --

00:28:58

Nick Gillespie:
If you're making \$90,000 --

John Donovan:
Let me give it to Dalie.

Ashley Harrington:
If you're making -- bur you literally --

John Donovan:
Dalie, you can make -- hang on everybody. Hang on everybody because --

Ashley Harrington:
You -- but you can't do anything else.

Jahn Donovan:
Hang on. Hang on there, please. Dalie was waiting her turn for a long time.

Ashley Harrington:
Sorry, Dalie.

John Donovan:
And she only got 20 second up.

Dalie Jimenez:
No, it's all right. So, if we forgive \$50,000, \$93,000, 93 percent of the lowest income Black households with student debt would experience total debt relief. And 75 percent of all borrowers would not owe any money. Would people who have wealth and/or in high incomes also get some of that debt forgiven if you do it as an across the board? Yes. And you want them to pay? You know we have a system to do that, it's called the tax code. Okay. If you want them to pay, you take the money out that way. And doing means testes -- testing, excuse me. I mean doing testing or some other way of basically putting hoops and hurdles in front of what is primarily Black and Brown people, in order for them to get forgiveness for a debt that we never let go.

Student debt, federal student debt, has no statute of limitations.

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The student -- the federal government can take your social security money, can take your tax refund. I mean, this is just -- it's draining young people of hope. We need to do it just that they have both. And it cannot just be to forgive student debt. I agree with that. We can't just do that,

and then continue on our merry way. We're just delaying the inevitable the same thing happening again. No, we need to change how we fund education. And we need to do that by actually looking at what colleges or what schools are actually helping students and funding them, not funding individuals, and not funding for-profit colleges through individuals.

Nick Gillespie:

For-profit colleges, by the way, could you specify what percentage of students go to for-profit colleges? It's single digits, right? I mean, I don't think it's fair

Dalie Jimenez:

But it's --

Ashley Harrington:

Single digits, overall, but Black borrowers are actually overrepresented. And for-profit colleges --

Nick Gillespie:

Okay.

Ashley Harrington:

-- they prey on low-income people and people of color and veterans.

Nick Gillespie:

That's something.

Ashley Harrington:

Because they get they get the primary -- they get more of their funding from federal dollars than any other type of institution.

00:31:04

The vast majority of --

Nick Gillespie:

What I was --

Ashley Harrington:

-- their funding -- and they -- over half of the defaults come from these institutions.

Nick Gillespie:

Virtually, all college students, a vast majority go to non-profits, state-supported institution. So, I'm simply saying if you focus on for-profit, you're actually talking about a relatively -- the very small percentage of the issue here. As long as there is --

Dalie Jimenez:

But then large percentage of these --

Ashley Harrington:
But not of the default is.

John Donovan:
All right. I need to make --

Nick Gillespie:
No, but then --

Ashley Harrington:
But not of the default is.

John Donovan:
Debaters, I need to make an opening here for Beth, because you haven't had a shot yet at this round of the conversation, Beth. If you want it, I just opened the door for you.

Beth Akers:
Yes, thank you. I really appreciate that because there's something I have been wanting to get in here. The conversation here is -- matches the conversation that I see more broadly on this issue. And it's suggesting that student debt as it is today, is totally inescapable. You may even have heard that you can't even get rid of student debt and bankruptcy.

00:31:58

But the reality is that's because we already have in place a safety net for borrowers that makes it so that if monthly payments are unaffordable, they can be lowered based on how much you're earning without penalty.

If those monthly payments remain unaffordable for 20 years, a borrower then has their entire balance forgiven. And we are about to see with the passage of the stimulus bill that there is no longer a tax bill that comes along with that for the people who receive that benefit. This is a huge benefit. And it's actually very well crafted to ensure that somebody who goes to college makes that investment but doesn't see that return, they're not stuck underwater on their student loans for their lifetime. And someone can look forward and say, I can see that this forgiveness is on the horizon. I'm going to make the minimum payments until I get there.

There has been recent criticism of this program. People saying there's only been a few people who have ever gotten forgiveness. That's because it's new. We did not create a safety net for student loans when we created student loans.

00:33:00

It was an add-on later on. So, people have not --

John Donovan:

Beth, what kind of sort of realistic real world monthly payment are we talking about a person needing to make? Is it sort of in the \$75 range a month or more in the \$400 range a month?

Beth Akers:

It can -- well, the thing is, it completely depends on how much someone's borrowing. The way that the monthly payment is -- sorry, how much they're earning and borrowing. The monthly payment is a fixed percentage of their disposable income, which is calculated as the excess over some modest level that is set aside for earnings, for living expenses. The problem with this program is that there's a variety of different parameters, different people have different eligibility for different rules. It's a mess, and it absolutely needs reform. But that reform is the sort of nuance solution that I'm talking about, rather than wiping out student loans and creating all of this --

John Donovan:

Okay. I -- so, I want to take the scenario you painted to Ashley.

00:33:54

Because, Ashley, what I think I hear Beth saying is that even for people who are burdened, she's suggesting there's a way to survive it now and ultimately a way to get out from under it, though it might take a couple of decades. But that it -- sort of a suggestion that it's livable as opposed to crushing. What's your response to that?

Ashley Harrington:

I mean, I think surviving, right? Why wouldn't we want people to thrive? Why wouldn't we want our economy to thrive? Twenty years into repayment, the typical Black borrower still owes 95 percent of their original balance. The typical White borrower has paid off 96 percent. So, what we are saying when we're relying on income-based repayment, which doesn't work because only 32 people have gotten that forgiveness, and there are so many --

John Donovan:

Only 32? It is literally true?

Ashley Harrington:

Only 32. It is literally true. And I'm with Beth.

Beth Akers:

That's the new program --

Ashley Harrington:

And I'm with Beth.

Beth Akers:

-- for people who have, at least, eligibility for it.

Ashley Harrington:

I do think -- I -- more eligibility in 32. I agree with Beth. We need to fix IBR.

00:34:57

And canceling student debt, canceling \$50,000 and clearing out the debt of 75 percent of federal borrowers and 95 percent of borrowers in default gives us the space to do that, to make an income-based repayment system that actually works. That's actually affordable and based on an affordable amount of income. And that's not two-decade long. It should be 15 years. And people should actually be able to get forgiveness at the end of it. And we shouldn't be saying, "Oh, it's okay for you to struggle and survive with your student debt." Especially when we know we're saying that to Black and Brown people, to low-income people. No one is staying at student debt for two decades if they're rich and wealthy. That is not happening. And I --

Beth Akers:

I don't totally disagree with Ashley here. You know, the idea that we could be proposing. IBR should only take 15 years before you get to forgiveness. But that's a policy conversation that I want to have. Because that's when that makes sense and really meets us where the problem is with student debt rather than as I said before coming in with a sledgehammer that creates all kinds of new problems.

00:35:58

Nick Gillespie:

And --

John Donovan:

Dalie, your opponents -- go ahead, Nick, and then I want to go to Dalie on a different topic.

Nick Gillespie:

I was just going to say, you know, so we forgive \$1.7 trillion. You know, we snap our fingers --

Dalie Jimenez:

\$32,000 a borrower, not 1.7 trillion.

Nick Gillespie:

Okay. So let's say, let's say it's \$1 trillion just to -- like we snap our fingers like Thanos and that's gone. It gets added to the federal balance sheet which is already -- you know, it -- we're already paying interest on that. It is --

Dalie Jimenez:

That's actually not how it works.

Ashley Harrington:

That's --

Nick Gillespie:

No, actually --

John Donovan:

Let me let Dalie respond to that then --

Dalie Jimenez:

It does not get added to the -- we've already spent that money. And we don't even expect most of it to come back to us.

Nick Gillespie:

So, why don't we forgive all of our debt? I mean, this -- I -- it strikes me as we're having a conversation as if the federal government doesn't actually have to pay anybody or pay anything back or anything that there are no IUs, that there's no limit to what the government can choose to spend. And that simply isn't true.

Dalie Jimenez:

I mean, that's actually literally true since the government makes the money. But they -- it's not -- I'm not saying it's a good idea to spend money everywhere, but it is literally true --

00:37:03

Nick Gillespie:

But it is --

Dalie Jimenez:

-- that the government can choose.

Ashley Harrington:

It was true when they did a \$1.7 trillion tax cut in 2017. When we passed \$4 trillion in response to COVID over the past year, which is desperately needed.

Nick Gillespie:

So, we don't have to pay that money back.

Ashley Harrington:

But the CBO --

Nick Gillespie:

That money is not --

Ashley Harrington:

The CBO has already -- when the loans are dispersed, the full cost of them is already accounted for in the budget. The CBO has already accounted for this. And -- so that money is out the door. That's on the balance sheet. It's already done.

Nick Gillespie:

Then why --

Ashley Harrington:

What it is doing is holding down individual people balance sheets and balance sheets of people who aren't -- they're not -- lots of this is not going to be paid back. We're servicing and keeping stuff open.

Nick Gillespie:

No, that's not true. I mean, most student loan --

Ashley Harrington:

That's not going to be paid back.

Nick Gillespie:

Most student loan gets paid back. I mean, I --

Dalie Jimenez:

So, you're talking --

Ashley Harrington:

For certain people.

Dalie Jimenez:

Yes. For certain people --

John Donovan:

Dalie, I --

Nick Gillespie:

For most number of people.

00:37:57

John Donovan:

Okay, I want to move forward a little bit, Dalie, with a point that was raised earlier by your opponents, I believe by Beth, that if the program you're arguing forward to come to pass and a significant amount of student debt were wiped out at the stroke of the President's pen on let's say, April 1st, that may be a very hard political sell to all of the college students who went borrowed, paid back their debt, cleared it off, worked hard to do it. They're going to say, "Well, why did I do that? Where was my turn for that?" And I just wanted to ask you to address that issue, because I think it's probably one that would occur to a lot of people who are watching the debate.

Dalie Jimenez:

Yeah. I'm one of those people. I --

John Donovan:

Yeah, you are. Actually, you said --

Dalie Jimenez:

I took on \$140,000 in debt. And you know, I was able to pay it off. Great. Great for me, I struggled. I don't want anyone to struggle, and many are struggling way worse. I don't feel sorry for me.

00:38:58

Maybe you're struggling way worse than I had to go through. I think there is an interim period, right. Like, Beth is talking about making these really nuance policy decisions. Great. When does Congress ever get to do that? When does that actually ever happened? We need to -- President Biden can actually do this right now, forgive \$50,000 per person across the board easy, fast, no means testing, boom. Then we have a smaller program, that \$1.7 trillion to deal with, where we can then, you know, improve IDR. By the way, IDR is not one program. It's four or five programs, and they're different, and you're not eligible for all of them, and it is a mess. And even people who study this don't know it off the top of their head, okay, because it is just so complicated. We should not be making people go through all these hoops and learn all of this nuance -- just all of this silly stuff, really, in order to get forgiveness in two decades. Did I answer your question?

John Donovan:

All right. Beth, I want to take a question to you.

00:40:00

You opponents -- again, in Ashley's opening comment. She's sort of alluding to the idea of an individual's education not just being about the individual but it's actually a public good that that individual, number one, if -- by being educated, number one, can be a taxpayer, contribute the economy, just contribute socially. And also, that being relieved of the tax burden freeze that money up to become a stimulus in itself in the economy, not -- no, Ashley didn't say would pay for it itself fully, but she said that it's a positive benefit to the economy particularly in this year of COVID to have people have more money in their pocket to be able to spend more. I just want to ask you to address that part of her argument.

Beth Akers:

Sure. So, this is this is a common belief that student debt would actually be a really effective stimulus which is particularly important right now. We're in a depressed economy.

00:41:02

The problem, again, is actually what I mentioned before about the regressivity of the policy. When economists craft stimulus programs, they cut checks and send them to people who have the lowest income in the economy. Because the way that stimulus works is that you need people to go out and spend that money and -- for it to actually have a stimulating effect on the economy. When you give money to more wealthy people that has a lower multiplier. They go less into the

community and spend and it creates fewer jobs and fewer sales and things like that. And so, student loan cancellation has that same problem. But since a lot of it goes to very well-off people, it's really inefficient because they aren't the ones who are going to go out and stimulate the economy.

The other problem is that let's say we were to forget the whole thing. That's 1.7 trillion. Student loans are totally different from that number, from what people see on a month-to-month basis. So, maybe alleviating a \$200 a month payment for somebody with a decent amount of debt, it's costing us.

00:42:01

Again, that 1.7 trillion, we're only getting a small fraction of that stimulus today because of the way that people are having their cash flows only have to manage a monthly payment on their student loan.

So, is it a stimulus? Yeah. Does it address racial wealth and inequality? Yes. Does it do these things very, very, very inefficiently? Yes. And so, the problem is if those are the problems we're trying to solve, there are more direct solutions to those problems than student loan cancellation.

John Donovan:

Ashley, I'd like to let you respond to that.

Ashley Harrington:

Well, I think we've got to be very careful to -- say, from our perch and our position in our lives, that -- a \$200 monthly payment is not hard. I think we got to be -- that actually is hard for a lot of people who are struggling. So, I think we got to be very clear about that, that people have different levels of what is considered a struggle. And there's a lot of people who are absolutely struggling to make their payments.

00:43:00

There's been numerous studies done that show the economic benefits of cancellation and how that will be put back into the economy over the years. And I think we've also laid out how it's not just rich, wealthy people and very -- and the majority of people who will get these benefits are low-income, low-wealth people. Student debt, the balances themselves having to pay debt add to the cost of credit over the course of someone's life, it prevents them from saving. It affects their ability to get a home. They can't save for a down payment. It also means that that money is determining their debt-to-income ratio when they want to qualify for a mortgage. And we just saw the news that housing prices are skyrocketing.

So, people who have a bunch of student debt and the houses cost more, and they can't get a loan to get it because they can't qualify, they couldn't even say for a down payment. Again, we all are impacted by housing market that doesn't work as we saw in 2008. I don't think, like, lease -- the housing market is a central piece of our economy.

00:44:01

And if people can't participate in that fully, we are all impacted.

John Donovan:

So, Nick, I noted in your opening argument that you painted a different picture of what it means, at least it did for you and what it meant to take on debt, and then how that leveraged -- use them into more opportunity in your life. And Ashley is painting a picture of somebody being really, really constrained, really confined by that debt, to be able to have opportunity in life. So -- and I think there's something very compelling to the way Ashley is describing it. So, does it come down to the fact that this is really, really individual? Or is there a general statement to be made?

Nick Gillespie:

Well, I think there are general statements to be made which need to be kept front and center. If you believe that there are limits on what the government can spend, you know, continuously without having some kind of massive economic collapse, you know, then you have to look at things in -- you know, in general terms that obviously, you know, impact individuals.

00:45:04

56 percent of people who graduate from college have student loans. So, it's a slim majority, right? The average payment is about \$300 a month. For somebody who's poor, that's really bad. But it's also true, if you go to college, you get most of the benefits of a college education which includes a million dollars or more, you know, on average in lifetime earnings. \$17,000 more in annual income over time. You are unlikely to be unemployed at half of whatever the unemployment rate is. You get a huge amount of benefits. And it should be a very basic moral principle, I think, in society, that a person who gets most of the benefits of something pays most of the cost of that. And that's what student loans allow people to do. They allow many people to have access to higher education in a way that makes it easier for them.

00:45:58

It's also true, if you look over the past decade, where -- you know, we're talking about student loan, the actual amount of student loan going out has been declining for decade. Places like community college, two-year colleges everywhere in the country, you can qualify basically for free to go to the first two years of college for free. There have been a lot of adjustments to the ways in which people have access to higher education. It is not a system that is great, and I would -- in my closing remarks, I'll talk a little bit about that.

When we talk about rising costs, we're not talking about rising costs everywhere. We're talking about rising costs at elite institutions. That's not going to be addressed by getting rid of college - - you know, getting rid of college debt. But the fact of the matter is, it makes sense to go to college, and it makes sense to take out reasonable amounts of money to do that.

John Donovan:

All right.

Nick Gillespie:

There are colleges at every cost point possible. And it's far more important that you go to college rather than which college you go to.

John Donovan:

All right, Dalie.

Dalie Jimenez:

I just -- I mean -- so, I think we're saying kind of -- we're talking about different people.

00:47:00

Nick is talking about the average person. He's really talking about the average White person. 40 percent of all borrowers, including 54 percent of Black students do not finish college. They do not get that million dollars in lifetime earnings. They instead get student debt that they're supposed to pay for at least 20 years, and only if they jump all the right groups every single year, paperwork burdens to do IDR. Black graduate students continue it -- from -- in the last -- from 2000 to 2016, they took on 30 percent more debt in order to go and get a graduate degree. Because they saw that in the market, in the labor market. That's what they need in order to earn close to the same amount that White borrowers get.

We can't do -- and -- so, Nick says, we can't spend money forever. I agree we can spend money forever on everything. But the idea that we can't do this now because we gave too many tax breaks to rich people is just really wrong.

00:48:00

And as what Beth says, you know, we don't even want -- giving money to rich people doesn't mean they spend in the economy. And -- but that's what we've been doing. We've been doing that for years now.

And so, now when it's time, there's all these people suffering, we say, "Oh, no, I'm sorry. Like, we already spent too much money." I -- and we know that the majority of the people are going to turn around and put that money, not the literal, you don't give it to them. But the money that they would ever use to pay, they're going to put that right into the economy. So, it's not a zero-sum game either. Just the fact that you forgive student debt doesn't mean that you now have -- you know, you're no longer going to get any money. No. The people who get the million dollars in lifetime earnings, they're going to pay more in taxes.

John Donovan:

So, Beth, I -- Dalie mentioned, you know, that cohort of people, and it's not small, who borrow money, go to college, don't finish college, now have debt. Worst of all worlds, they don't get the benefit of having the degree and they have to pay for the degree that they never got.

00:48:58

Talk about their predicament and how you feel that this debate we're having relates to them? I'm not hearing you, Beth, all of a sudden.

Beth Akers:

Yes. So, these are the people I'm actually the most concerned about, people who start college and don't finish. Often, these people end up with actually really small balances. But statistically, they're more likely to default than somebody with six figures in debt. So, fortunately, these people are currently eligible to make payments in an income-driven repayment program and ultimately have their loans forgiven.

Now, the problem, that program works really poorly. It's challenging people to figure out how to use it. And, you know, some people argue that it takes too long to get to forgiveness. That's a reasonable criticism, too. But that program is very well structured to deal with the problem of people starting college but not being able to finish it.

00:49:56

If we were just to make some tweaks, it would be wildly inefficient to use the sledgehammer of student loan cancellation to address what is a very specific problem for this group of people.

Dalie Jimenez:

If I can just make a point there. I mean, we don't actually know if it would be wildly inefficient, because we don't know exactly how much it costs Department of Education to service this debt to every year, get their servicers to call these people to get the paperwork, to process the paperwork so they can enroll in IDR, which has to be done on a yearly basis.

And guess what, if you don't have a job right now and you lost your job, it's based on last year's income. So, it's going to be a problem for you in the real world to actually make those payments.

John Donovan:

Ashley, I --

Beth Akers:

I agree. I think Dalie is right on this one.

Dalie Jimenez:

So --

Beth Akers:

It -- it's that there are problems, and I think the idea of program needs some significant changes. I just don't think that the right solution is mass forgiveness.

Dalie Jimenez:

If we forgive \$50,000 off the board, you've gotten rid of 95 percent of those problems. And now you can concentrate on the rest.

Nick Gillespie:

So, you'll start up the loan program again, then?

Dalie Jimenez:

No --

Ashley Harrington:

You didn't -- so --

Nick Gillespie:

No, I --

Dalie Jimenez:

I'll let Ashley. I'll let Ashley.

Ashley Harrington:

The --

00:51:00

Nick Gillespie:

I mean, is this like a one-time jubilee and then it starts building again or --

Ashley Harrington:

So, the --

Nick Gillespie:

How do you pay for college?

Ashley Harrington:

You -- we can do both. The President uses his authority. That's already been given by Congress to cancel \$50,000 in student debt per borrower. And Congress does its job because we are more than overdue for a higher Ed reauthorization. And they enact policies that make it no longer a primarily debt financed system. They create a system that's workable. They fix income-based repayment the way that Beth and Dalie and I are talking about, so that it's more manageable going forward. We can do all of those things.

I don't think the sledgehammer is cancelation. The sledgehammer is what people are filling in their lives, the \$1.7 trillion that is weighing people down or weighing down the economy.

Nick Gillespie:

But it's not the economy --

Ashley Harrington:

Most -- wait, wait, wait. Let me just finish it if that's okay. Thanks.

Nick Gillespie:

Yeah.

Ashley Harrington:

The biggest predictor of whether you're going to borrow is actually whether or not you are a pale student. Let's remember that. Also, Black college graduates have less wealth than White people with high school degrees or less.

00:52:04

We are not starting in the same place, and we cannot have a conversation if we are. We also -- it is a public good. It is a benefit to people, to us, to all of us to have a well-educated society where everyone can participate. It is a public good. It helps with national security. It -- all of these things are intertwined with a higher education system that works and that actually works for everyone. Why are -- why is it okay to say, "Oh, well, you can go just take on a bunch of debt that you're never going to get out for under."

Nick Gillespie:

But most people do. I mean --

Ashley Harrington:

There's a time for that. It's called predatory inclusion. Some people do.

Nick Gillespie:

So --

Ashley Harrington:

Some people do.

John Donovan:

Okay.

Nick Gillespie:

No, no, no. The majority of people do. The -- vast majority of people do not just falls under --

Ashley Harrington:

But what about the rest?

Nick Gillespie:

-- student loans? Wait, wait, wait. Yeah, we'll talk about the rest in a second, but what I'm talking about -- I graduated college. I paid for my entire undergraduate, and I came out with student loans that I paid \$200.

00:53:03

This is back in the 80s. \$200 a month. I had no money. So, you know, I understand what you're saying that different people start at vastly different parts of -- you know, of the country -- you know, that you come out of college or you -- if you even get to go to college. I was the first generation in my family to go to college.

You know, so I understand what you're talking about with that. But you are painting a picture as if colleges or the federal government, which is the one that is doing all of the federal student loans, is a payday lender that is ripping people off and --

Ashley Harrington:
That's not what I'm saying.

Nick Gillespie:
-- setting up those providences. It -- but that's the picture you're painting. You're talking about them as predatory lenders.

Ashley Harrington:
No.

Nick Gillespie:
This is --

Ashley Harrington:
I never said they were predatory lenders.

Nick Gillespie:
Okay.

Ashley Harrington:
I never said that.

Nick Gillespie:
This is --

Ashley Harrington:
The problem is we have a debt finance system in a society that is inherently unequal. Right?

Nick Gillespie:
So, help the people --

Ashley Harrington:
And so --

Nick Gillespie:

Help the people who need help as opposed to people who are well-off and can afford to pay for college in full cash.

00:54:02

Ashley Harrington:

But you and I have very different opinions about who are the people that need help, right?

Nick Gillespie:

Yeah. I'm --

Ashley Harrington:

You and I just --

Nick Gillespie:

I am --

Ashley Harrington:

We very much differ on that.

Nick Gillespie:

Yeah.

Ashley Harrington:

And I just want to say to you, I think it's awesome that you've been able to pay off your debt. I think it's awesome that you're helping your kids. There are so many people who have not been able to do that. And if we get cancellation, if everyone here agrees with us, then I encourage you, if you don't need it, to opt out but not make it harder for other people to opt in.

Nick Gillespie:

Yeah. You know what, I've got to say, you know, if you're making \$100,000 in America, you're doing, you know, vastly better than the median family income, household income, you don't have a right to say, I should get my loans forgiven, that I took out in full knowledge of what I was doing. This is the way the system works. And, you know, we look at the hard cases. And people who are falling behind for various reasons, we help them.

00:54:54

The whole country, the reason we have \$23 trillion in debt which is going to be going up by another \$10 trillion faster than we can even imagine, because this stuff gets ahead of us is because suddenly people who are comfortable, who are upper middle class or rich, are starting to say, no. You know what, everything needs to be universal. You know, it just -- it's a bad system.

Dalie Jimenez:

What's wrong with taxing them?

John Donovan:

I want to take a -- I want to jump in with a question that is related to where we are in the conversation but was inspired mostly by Ashley's opening, and also supplemented by what Dalie had to say. And that is that the two of you have made the case that attacking this issue, including a broad-based solution is -- has the important benefit of addressing social injustice, of writing a social injustice, that in fact that the segment of the population that is more likely to struggle is more likely to be Black than White, for example.

00:55:56

And there was a paper that you wrote Dalie, which I actually recommend, you published last year, goes into --- sort of lays out a very, very detailed analysis of the situation. But there were some statistics you use; you repeatedly point out this disparity. So, you're talking about students who borrow federal loans but don't complete their education and then default.

So, you said that that happens to 38 percent of the -- 38 percent of White students who borrow federal loans but did not complete their education as default. 65 percent of similarly situated Black students have the same situation. So, it's roughly only two-thirds of White students are in that situation compared to Black students. And my question is, and I know this is a very hypothetical. But if there were not this disparity, if it were more evenly spread, would you still be arguing for wiping out student debt?

00:56:56

If there were not the social justice element which seems to be really, really central to your argument; and I know that that's maybe a meaningless if, but I I'm just trying to sort of get at the principle of whether it's primarily for you because of the social injustice or is it more broadly just about education, the value of public education as a public good, et cetera? So I -- whichever the two of you would like to speak on their thought.

Dalie Jimenez:

It's hard to answer that question because it just -- it's both. And you can't -- we don't even know how we even tried we could get to a truly post-racial society. I mean, are we talking reparations? Like, I mean, how do we get there? So, it's really hard to just wipe that away and pretend it doesn't exist because it does. And the Black person who doesn't graduate continues to be a Black person go into labor market that way and, you know, get lower earnings as a result. I think, you know, it's just not feasible.

John Donovan:

I guess I'm asking because your opponents keep arguing, you know, well-off White people don't need this. So -- and --

Nick Gillespie:

I would -- if I may, I'm the libertarian, which means I'm also a closet Marxist, well-off people.

00:58:00

I insist on a class-based argument, at least for the --

John Donovan:

Okay, well-off people don't need this.

Nick Gillespie:

Yeah, you don't need --

Dalie Jimenez:

But -- wait.

John Donovan:

And so that's why -- I understand --

Dalie Jimenez:

You talked about well-off people as income. Well-off does not just include income.

Nick Gillespie:

Okay.

Dalie Jimenez:

You can't -- it can't just be that you're making --

Ashley Harrington:

You just can't. You can't. Income and wealth are not the same things.

Nick Gillespie:

I certainly --

Ashley Harrington:

And you mentioned the elite schools, Nick, right. So, Harvard, the "quintessential elite school."

Only 3 percent of folks at Harvard borrow. 3 percent. So, this is not who we're talking about.

We are talking about the vast majority of people who are like -- that -- we have to have a very realistic conversation about what student debt looks like and what student borrower look like.

And it is just not the case that there are all these elite school graduates, these rich, wealthy people who has student debt. They don't. They don't because their parents helped them, right? They had intergenerational wealth.

00:59:00

So, I just think you can't make these --

Nick Gillespie:

Yeah. I'm not talking -- wait, wait. I'm -- I can tell you myself. I started in the hole. I had a negative value when I went to college. I put money away for my college -- for my kids' college. They did not take out any loans. So, you know, I understand very clearly the difference between income and wealth. And I also understand at a certain point, when you are making a certain amount of income, you get to be called wealthy whether or not you come from the Rockefellers or something like that. And again, this -- if this argument -- I mean, why should college cost anything to any student? I mean, the way that you're talking about things is as if, well, student debt, nobody should pay debt to go to college or -- I mean, like, what is the pricing mechanism here? What -- where is the stopping point for just saying the government should provide everything that everybody wants in every circumstance?

John Donovan:
Okay. I want to --

01:00:00

Ashley Harrington:
I can -- I thought you were saying, and that I can tell where it's not. It's not where we are right now.

John Donovan:
Ashley, want to step in because we have a little bit of time left. And the last run has really been you and Nick.

Ashley Harrington:
Sorry.

John Donovan:
And Dalie and Beth have not really had a chance. So, I want to give them a chance to enter the conversation at whatever level they would like to at this point. And since Nick had the last few minutes, Dalie, I want to go to your side and let you jump into the conversation.

Dalie Jimenez:
Yeah. I mean, I'm going to step back a little bit and just talk about how this is not the way we want to fund higher education. I think it's important for the federal government to be involved in higher education. It's important for them to support it. Debt is not the way. If you want to control tuition, if you want, you know, people to be able to go to college affordably and you think there's a runaway tuition problem, you don't give 44 million people money to go shop wherever. And you don't allow, basically, anyone who has any school that has, you know, a pulse, like someone behind it, to obtain student loans.

01:01:01

You give it to some and you supervise and you control. And you can exert your influence that way. So, there are ways to control. And I agree, we cannot just forgive student debt. And there

would be -- if President Biden were to take this \$50,000, you know, action tomorrow, there would be a push. You could say, Beth talked about it as if there'll be a push for people to say, "Well, what am I going to do now? I don't need -- I can take on debt because it'll be forgiven." But there also be the push for, "Hey, we need to rethink how we're doing this." And it is long overdue. Congress needs to step in, re-authorize the Higher Education Act, and actually take control of what's happening here.

John Donovan:

And, Beth, I think I'm going to give you the final word in this round.

Beth Akers:

Sure. I want to address the discussion about the social justice issue related to student debt cancellation. I'm absolutely sympathetic to the concerns that our opponents have today regarding wealth, disparities, and disparities and opportunity across different racial groups.

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The problem I have is that this is the wrong mechanism for fixing that problem. What we see is a symptom of that problem showing up in the student loan space and the outcomes that people are facing with education outcomes and with their borrowing outcomes. But we need to address that problem more directly, perhaps, with reparations or through grant aid on the front end of education. I'm not opposed to either of those things. But I'm absolutely opposed to trying to do that through this, because I just think it's the wrong way to get it done.

John Donovan:

Okay. I think I see the beginning of perhaps some common ground emerging. But we're not going to be able to get into that because that concludes round two of this Intelligence Squared U.S. debate where our resolution is forgive student debt.

Now we move on to round three. And round three will be brief closing statements from each debater in turn. Those statements will be two minutes each. And it's their last chance to try to change your minds. Because right after this round, again, you'll be asked to vote for a second time. And that vote, the difference actually, between the first and second vote will determine our winner. So, let's move on to closing statements. First, making her final argument for the motion, forgive student debt, here is Ashley Harrington.

01:03:03

Ashley Harrington:

\$1.7 trillion, 44 million people is unsustainable. It doesn't work. It hasn't worked. And tinkering at the margins is no longer acceptable response when we are in a recession, in a pandemic. And this isn't -- this a time that none of us were prepared for or ever -- that saw coming. It is no longer okay to just do the bare minimum and expect people to get along. They are not getting along. And our economy is impacted by it. It's not just the 44 million. It's their families, it's their communities, it's our entire society. But we can't get away from that. Yes, this is not the end-all, be-all solution to society's ills or even to higher education's ills.

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But it is -- it has to be part of the solution. It is the first step that enables us to do better, to create a more equitable system where everyone doesn't have to take out 30 grand in debt to get through it. And where Black and Brown people don't have to stay in repayment for 20-plus years, where interest doesn't continue to grow, where people actually get to reap the benefits of their hard work. And we also get to reap the benefits because it is a public good. We can do so much.

This is the time for bold action. If we can do a \$1.7 trillion tax cut, if we can put hundreds of billions of dollars into small business in a way that has never been done before, we can absolutely do something about the student debt crisis that is plaguing 44 million people. And we can fix it so that we don't end up here again.

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There are many ways and many of us are agreed on how to do that. But the first step is canceling student debt, and \$50,000 per borrower will have a tremendous impact that will be felt across the board.

John Donovan:

Thank you, Ashley Harrington. Our next statement -- closing statement comes from Nick Gillespie. He will be arguing against the resolution.

Nick Gillespie:

Yeah, I am against ubiquitous or, you know, student loan debt forgiveness, because I think it mistakes, first, the reality, the social reality. Again, 56 percent of people -- of students who graduate college with student debt. The typical payment is about \$300 a year or \$300 a month. And if I said to you, I'm going to help you boost your earnings by 250,000, \$500,000, \$1 million over the course of your year. And you're going to have to take out some debt. That's actually a smart move. And again, not everybody does that. And the median student debt is much lower than \$30,000 or \$300 a month.

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We need to have a system that allows people to participate fully in higher education. One sign that we're doing well on that is that consistently, the number of people who graduate high school who directly enroll in some form of higher education is high. It's around 70 percent, and it's been creeping up over the past several decades. That's a good sign.

We can make college cheaper and more affordable by giving grants to low-income people and people who need help. We can also increase the amount of supply of higher education, which never gets talked about. But that's the proven way to reduce prices when there's rising demand. But to say simply, we're going to wipe out money that people have voluntarily entered, you know, into a relationship to pay and to have is problematic. It sets up a bad precedent. It is an insult to people who have saved hard, including low-income people who have saved hard and scrimped in order to go to college.

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This is not the way forward. We want more educated people. We want college to be more affordable. Wiping out student debt in a way that will benefit particularly rich people as much or more in dollar amounts than poor people is just a missed opportunity in the wrong direction. So, please don't vote to get rid of student debt.

John Donovan:

Thank you, Nick Gillespie. And we move forward with closing statements. Next up will be Dalie Jimenez, who is arguing for the resolution to forgive student debt.

Dalie Jimenez:

Equal access to education opportunity is a simple right. Unfortunately, we have not been doing very well in giving equal access to educational opportunity. Nick talks about the number -- the amount of money that someone can expect to earn after they get a college degree. Well, 40 percent of borrowers do not get a college degree. 56 percent of Black borrowers do not get a college degree.

01:08:00

They do not see those lifetime earnings. They don't see -- and they never see them -- the number that he's talking about, because that number is primarily based on White people.

People earning \$100,000, \$200,000 a year aren't necessarily wealthy. They may be, but they're not if they don't have family wealth. And that is primarily Black and Brown people who do not have family wealth. I am all for grants for low-income people and changing the way that we're doing our educational funding. But that doesn't help the 44 million people who have debt right now. And the 11 percent who are in delinquency or who were pre-COVID.

In 2019, a federal student borrower defaulted every 26 seconds. That's more than four times the rate of mortgage foreclosure. And keep in mind, default in the context of a student loan means that you did not pay for nine months. In theory, the income-driven repayment programs should mean that anyone who's struggling should not have to pay because they would not make enough money.

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And so, they might even have a \$0 repayment that they might have to, every year, recertify for 20 to 25 years. We are making people jump through all these hoops and meanwhile playing debt -- paying debt collectors, that servicers, to service all this debt that may never come in. In fact, we know for many of them, that debt will never actually come into the books. It is just wrong. President Biden needs to forgive student debt. And I hope that you will vote for this motion.

John Donovan:

Thank you very much, Dalie Jimenez. And finally, our last argument will be against the resolution, forgive student debt. Here is Beth Akers.

Beth Akers:

We live in an economy that's largely defined by capitalism. We don't have an excess of social safety nets in this country like we see in some others. And in order for that system to be sustainable, we need to have effective mechanisms for social mobility. Higher education, college career training, that is the core mechanism for social mobility in our economy.

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And it needs to be affordable. Right now, it's technically affordable because people have access to debt. But it's not completely affordable because of the risk that it puts on individuals. People need to put themselves in debt in order to make this investment and hope that it works out.

We need to improve the income-driven repayment program, so that we can assure people that college is not going to leave them worse off than where they started. So, there's room to move forward in that dimension without just blowing everything up and going with a widespread student loan cancellation program. That's what we're against. Not against targeted relief. People who are struggling absolutely deserve a bailout in this space. Because like I said, higher education is just so critical to the organization of our economy and that it's the most important mechanism that people have for investing in themselves and getting to a different socioeconomic status than where they were born.

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Look, it is absolutely not fun to be on this side of the debate. I'm a millennial. I've got friends around me who have lots of education, lots of debt. And this does not make me a very popular person with them. But I absolutely believe that it would be the wrong thing for the country to do massive loan cancellation. And so, while it's an unpopular view, when it doesn't make me a lot of friends, it's one that I'm sticking with. And I really want you to vote, no, that we should not cancel all the outstanding student debt in our economy.

John Donovan:

Thank you, Beth Akers. And that concludes the final round of this Intelligence Squared U.S. debate. And now, it's time to decide which side you feel has been most persuasive. We're going to ask you to cast your vote a second time by going back to iq2vote.org. Do exactly what you did the first time to cast your first vote. You're going to still have that URL open, probably. But if not, just go back and re-enter at iq2vote.org. And you can do it from any browser or any cell phone. Again, I-Q, the number two, vote.org.

01:12:03

Vote one more time, for, against, or undecided.

So, I'm skipping a little bit in what I'm saying, because it seems a little bit repetitive. Sorry for this. Oh, okay. And something we're doing a little bit differently this time. Unlike in past debates where we announced the results of the vote immediately, we're actually going to keep this one open for seven days to allow a broader public to really get a sense of what the nation is - - sorry. Unlike in past debates, were -- unlike in past debates where we -- result -- unlike in past debates where we announce the result of the vote immediately. In this case, we're going to be keeping this one open for seven days to allow our broader public to vote and give us all a sense of what the nation is thinking more broadly, and how swayed they were by your arguments. And at the end of those seven days, we will be announcing the winner on our website, iq2us.org.

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So, perhaps, just a need to be a little bit patient to find out which side the general public decided of the two teams was the more persuasive.

So, that's it. The competition is over. This has really been an interesting and fascinating debate. And I want to say to Ashley and Beth and Dalie and Nick, thank you for the way that you all did this. As you know, Nick, you've debated with us before, and it's great to have the other three of you joining us. I hope someday we can be doing this on a live stage in front of a live audience, because that energy can be terrific. And the interaction, even more powerful and robust that it was here today. But even with the way it was today, I just want to say I appreciate how clearly you were actually listening to each other even as you disagreed with each other. That's something rare these days.

It's a mark of what we try to do at Intelligence Squared and -- to get people with opposing views to be able to talk to each other, disagree, make their case, and do so in a respectful way.

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It's what we do by bringing this program to millions of listeners around the world, which we do through podcasts and television and radio. And we do it all for free. It's something we care a lot about here at Intelligence Squared, which operates, and I want you to know, as a non-profit. And if anyone out there wants to learn more about what we do or watch one of the more than 200 debates we've produced so far, you can do that by going to our website.

But as for this one, to all four of you, for the way you handle this, the way you heard each other out, and nevertheless stood your ground and push back and push back hard but did so in a way that shed light. I just want to say thank you. It's a rare thing. And all four of you were terrific at it. So, thank you to all of you.

Beth Akers:
Thank you so much.

Ashley Harrington:
Thank you.

John Donovan:

And let's see what else I'm going to say. As for this one, I encourage everybody to check out our website iq2us.org to cast your vote and check back on April 1st to see which team won. Okay. Now, for the live roundtable portion of this program where you will get to ask questions of these debaters, I'm going to hand this over to our CEO, Clea Conner and our Head of Editorial, David Ariosto.

01:15:07

Our producers will now be sharing a link in the chat room where you can see all of them directly. So, just click on that link and you can start engaging. But for me, that's it. I'm John Donovan. I want to thank you very much. Goodbye from Intelligence Squared. I'll see you next time.

This is a rough transcript. Please excuse any errors.