

Legislation Text

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Authorizing the creation of a “Special Committee on Student Loan Debt” to evaluate the social, economic and legal impact of offering monetary and other incentives to reduce student loan debt of individuals who are residents of the City.

WHEREAS, According to the New York Federal Reserve, since 2004, the overall student loan debt increased an astounding 325 percent; and

WHEREAS, The median amount of student loan debt owed by young households was \$13,000; and

WHEREAS, According to Pew Research, student loan debt was the only type of household debt that continued to rise during the Great Recession, eclipsing credit card debt and mortgage debt, both of which actually fell during the same time period; and

WHEREAS, Student loan debt amongst Temple University and Penn State University students increased dramatically from 2000 to 2014, rising an aggregate of almost \$3 billion dollars for Temple students and an astounding \$4.4 billion for Penn State students according to a Brookings Institution study; and

WHEREAS, Student loan debt affects people at all levels of educational acquirement. Nine percent of those with just high school diplomas have school-related debt, possibly incurred for non-degree training or to fund a child’s education. Twenty-five percent of those with some college education but no degree have student loans; and

WHEREAS, Student loan debt disproportionately affects African Americans and Hispanics, who are nearly twice as likely to have student loan debt as whites; and

WHEREAS, Student loan debt may cause younger adults to indefinitely postpone buying a house, purchasing a new car and many other major consumer goods; and

WHEREAS, A Philadelphia Federal Reserve report, issued in July of 2015, concluded that rising student loan debt is preventing young entrepreneurs from funding new small business ventures since they cannot access capital markets to finance the startups; and

WHEREAS, New data shows that compared to 2006, in 2013 three times as many older adults were carrying student debt, an indication that parents and grandparents are incurring debt to fund their children and grandchildren's education, causing more pre-retirees and retirees to be saddled with education loans in their twilight years; and

WHEREAS, It is crucial to the continued growth and expansion of jobs and the local economy, and to the general welfare of the City's residents for City Council to evaluate the benefits and burdens associated with implementing policies aimed at reducing the student loan burden for residents of the City of Philadelphia; now, therefore be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council hereby authorizes the creation of a “Special Committee on Reducing Student Loan Debt” consisting of at least 5 members of City Council appointed by the Council President, and assisted by relevant experts and stakeholders chosen by the Committee, to explore the social, economic and legal benefits and burdens of policies aimed at reducing student loan debt in the City of Philadelphia.

FURTHER RESOLVED, That the “Special Committee on Reducing Student Loan Debt” shall submit a full report to the Council and the Mayor and make its findings and recommendations available to the public.