

Debt 101 Fact Sheet

As college students, many of us are forced to take on debt to pay for basic needs while the cost of living increases—all while the wealthy elite get wealthier. While we struggle to pay our tuition, phone bills, and start our savings, we are taking on more and more debt to survive and see another day.

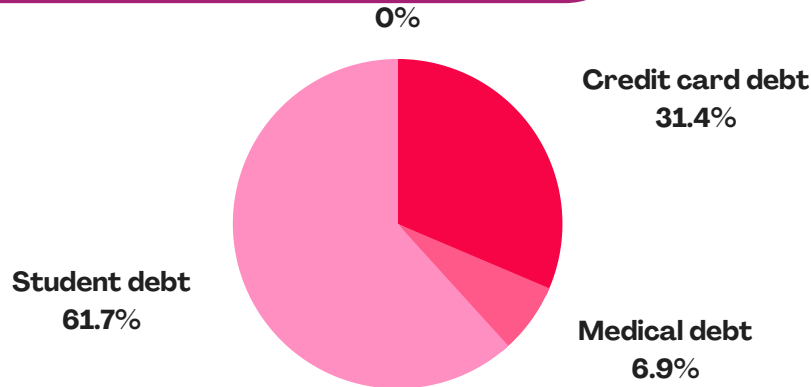
We are in a debt crisis.

The Debt Crisis at a Glance

- The national debt is over **\$31 trillion**
- The total household debt is **\$16.5 trillion**

****The chart to the right shows the total amount of debt in the nation per category**

Imagine how this money could be better put to use, for example, to fund more affordable housing projects, pay for quality healthcare for everyone, and combat the climate crisis. These debts are only increasing as families, single parents, and students like us struggle to pay their bills and garner savings as wages remain stagnant and inflation increases.



Student loan debt is the 2nd largest debt category of debt in the US

⊗ Did you know that between 2008 and 2018, tuition costs exploded by 37% and university costs grew by nearly 25%?

⊗ Did you know that in 2019 US students graduated from college with an average of \$32,000 in debt? That salary is equivalent to the salary of Sales

This reality sustains the racial wealth gap which makes it harder for Black people to generate the wealth needed to advance in society.

Student Loan Debt is a racist & sexist health issue

Debt contributes to prolonged stress, anxiety, and feelings of shame. 1 in 14 borrowers experience suicidal ideation as a consequence of the financial stress of student loans

Black women are bearers of the most debt in the country.

48% of Black students owe 12.5 percent more than the original loan amount after the same timeframe than white students, and hold 186 percent more debt than their white counterparts.

DEBT IS NOT AN INDIVIDUAL FAILURE BUT A SYSTEMIC INJUSTICE



The government and elites like to argue that students and working-class people like us are at fault for the debt crises, that we have simply “not budgeted smart enough” are “reckless spenders,” and are “lazy, uneducated, unskilled workers.” But we know this is not true. This is the rhetoric of **classism, neoliberal capitalism, and white supremacy**, the key systems that are not only causing the debt crisis but sustaining it.

Neoliberal Capitalism

A form of capitalism that believes human well-being is synonymous with entrepreneurialism, that the “free market” is the best way to organize an economy which means that the state should not interfere in the market so that people maximize competition in the market.

We students are seen as customers who are needed to increase profits for our colleges that are functioning as businesses competing in the free market, hence why tuition is so high.

Neoliberalism demands cuts in government spending on education which is why federal aid programs like the Pell Grant Program have not kept their awards up with rising inflation. Now, a majority of states rely on high tuition as the main source of funding for universities.



Financialization

What allows our universities to take so much money from us is financialization, a *process where financial institutions, markets, and elites gain greater influence over economic policies and outcomes.*

According to a 2016 report from the Roosevelt Institute, schools borrow money as part of a new “amenities arms race.” They compete with each other for “fancier facilities such as gyms, student centers, or luxurious housing, in hopes of luring students who are willing to pay more.”



Debt Abolition, Not Forgiveness

**Can't Pay!
Won't Pay!**



We are not at fault for the debt we carry but it is rather the various systems of oppression that deem non-elites as unworthy of accessible quality education.

We must demand total debt abolition rather than debt forgiveness because education is a human right not a privilege for a few of us to enjoy at the expense of everyone else.

Wondering how you can dispute debt you don't owe?

Follow the 4 steps below!

Step 1: Collect all evidence of your alleged debt

Evidence and information includes any letters or documentation you've received from your creditor, as well as proof that the debt does not belong to you. This proof can be captured through the testimony of a witness who can testify on your behalf that you don't owe your debt.



Step 2: Collect information about your debt collector

Gather your collector's name, address and phone number. Collectors who do not provide information and are oftentimes scammers—do not fall for the trap! You are legally entitled to the details of your alleged debt meaning the amount you owe, the current owner of the debt and other information that can help you contact the original creditor.



Step 3: Request and print a copy of your credit report

You can request a copy of your credit report from the agencies Experian, Equifax, TransUnion, or another crediting agency. Under the Fair Credit Report Act, credit agencies are required to give you information on your credit score. Once you get a copy of your report, highlight any errors that you notice.



Step 4: Write and Send your dispute letter

Federal law gives you the right to respond to a creditor agency within 30 days of receiving notice of your alleged debt. A dispute letter is important because it forces creditor agencies to provide evidence that you actually owe the debt they claim you owe. To write a good dispute letter, make it clear and concise while mentioning all of the relevant information related to your debt. Follow the example below: