

Press Release



The Biden Administration's Blanket Student Loan Forgiveness Would Be Regressive and Shortsighted

PAULINA ENCK | JUNE 7, 2022

President Biden campaigned on providing \$10,000 in blanket forgiveness for all federal student loan holders, and administration officials indicate that a decision on this matter is expected later this summer. In a new insight, Data and Policy Analyst Tom Lee examines the myriad problems with such a policy.

Key points:

- Blanket loan forgiveness—in any amount, and even with income caps—is a regressive policy; higher-income families would receive the majority of the forgiveness since they hold the majority of outstanding student loan debt.
- Blanket loan forgiveness would do nothing to increase educational attainment or lower costs, but instead would create incentives for borrowers to pay back their loans as slowly as possible, if at all, since they would expect future forgiveness for their loans.
- Enacting a blanket loan forgiveness policy would only delay, but not reverse, historical trends in outstanding federal student loan debt: By 2026, the total amount of federal student loan debt would bounce back to present levels.

[Read the analysis](#)