Ethical Reasoning Paper - Ava Izadi

Overview

The debate on college student loan debt forgiveness is ongoing and complex. As of April 2024, Americans owed a total of $1.75 trillion in student debt, which is a 102% increase from the $845 billion owed in December 2020 (ProCon, 2024). Americans ask the U.S. federal government to forgive some or all loans, ranging from $10,000 to $50,000 per borrower, including late or in-default accounts (ProCon, 2024). Bankruptcy to discharge loans has also been highly suggested but is difficult and rare due to a 1976 federal law where the court must find evidence of "undue hardship" (ProCon, 2024). The Biden administration claims they have forgiven over $160 billion in student loan debt as of May 2024, although the issue remains unresolved.

PRO Stance

Likely Values

The U.S. economy would benefit from student loan forgiveness through new business growth and consumer spending (ProCon, 2024). People with heavy student debt have increased difficulty opening businesses, leading to fewer jobs, less national income and slower economic growth. It is also unfair to deny student loan debtors bankruptcy declaration, which is a benefit used by other debtors (ProCon, 2024). Bankruptcy provides a fresh slate for many businesses and people needing assistance with car loans, credit cards, medical bills and more. Students should be given the same freedoms since college loans can negatively impact their futures.

Moral Principles

Student loan debt is linked to racial inequality for black students who must borrow more than white students, as there are disparities in generational wealth, parent education, family income and the colleges they attend (ProCon, 2024). This relates to John Rawls' Veil of Ignorance, which asks people to place themselves in situations where people are impacted by their decisions. Student debt forgiveness policies must place social equality at the forefront so that some justice can be done for black individuals in these unfair situations.

Loyalties

Young people hoping to buy homes, get married or start a family are severely restricted by student debt. These are milestones that trillions of Americans either don't reach or have to push back on, impacting the well-being of society as a whole. Other groups of people such as those trying to save enough money to retire, send their children to school, rebuild credit and provide safety and security for themselves and their families are negatively impacted by student debt (ProCon, 2024). This diminishes the morale and mental health of Americans without the resources they need to lead less stressful and more fulfilling lives.

CON Stance

Likely Values

Forgiving student loans unfairly helps rich and more financially secure college graduates (ProCon, 2024). Because students from high-income families borrow at the same rate as low-income students, forgiveness would only increase the tax burden to help already advantaged individuals. The bankruptcy argument is a ploy to abuse the loan system and encourage higher tuition from colleges (ProCon, 2024). People may borrow more than they need, promoting negative incentives surrounding bankruptcy which could lead to long-term consequences on credit scores and other finances.

Moral Principles

Many people believe that Americans should be held accountable for their economic choices concerning student loans (ProCon, 2024). Forgiving student loans is unfair to those who have already paid theirs off or don't have any. Kant's Categorical Imperative states that we should act similarly to how we expect other rational people to act. A free society should not entitle people to a college education and adults must be held responsible for their actions.

Loyalties

Military and AmeriCorps service members can get 100% of loans forgiven and doctors and lawyers have multiple forgiveness options (ProCon, 2024). These are examples of groups with greater opportunities and loyalties from the government, which is unfair to those taking different career paths and academic journeys with similar if not more amounts of debt. Another argument is that student debt forgiveness masks the greater issue of the inflated cost of education (ProCon, 2024). By reducing the need for students to take out loans in the first place, there would be longer-lasting benefits to both the economy and future generations of students who don't benefit from the debt forgiveness people need now.

Analysis

While I understand that there are disparities in the argument for forgiving student debt, I am still firm in my belief that the government must do more to alleviate the substantial college debt that puts Americans at risk. Every person deserves to have a college education if they desire, so it is unfair that those who are more socioeconomically privileged have an easier time doing so. If the cost of education remains the same and students take out loans, there should be greater resources to alleviate them or a forgiveness system that makes sense for all groups. With my new knowledge of how student debt specifically impacts black students, low-income people trying to support a family and more, I feel more anger toward the government's lack of response to such an important issue regarding American people's livelihood.

References

ProCon. (2024, May 31). *Student Loan Debt Elimination - Pros & Cons*. ProCon.org. Retrieved November 12, 2024, from https://www.procon.org/headlines/should-student-loan-debt-be-easier-to-discharge-in-bankruptcy-top-3-pros-cons/