



**Urban League  
of Portland**

Testimony of Midge Purcell In Support of HB 2662  
House Committee on Higher Education, Innovation, and Workforce Development  
March 6<sup>th</sup>, 2015

My name is Midge Purcell and I am the Director of Advocacy and Public Policy for the Urban League. Today I am here to support HB 2662, the Pay It Forward pilot and discuss how the student debt crisis disproportionately negatively impacts communities of color, especially black Oregonians.

The average student in Oregon graduates with 26,000 in student loan debt, however when you break down that number by race it's clear that the average is skewed. Over the years African-Americans have acquired more student debt than any other ethnicity.

While white students will graduate with \$18,000 in student loan debt, black students will graduate with an astounding \$30,000 in student loan debt.

Socio-economic realities for black students, such as growing up in a low-income environment, and attending under-resourced high schools, are compounded and ultimately result in their inability to go to school, attain a degree and get ahead.

Not only do black students have to borrow more for a degree, it will take them longer to pay off their loans. Because of persistent disparities in wages and wealth retention, black students are less likely to benefit from family support to pay for college. Black working families earn 60 cents to every dollar that a white family earns and during the economic recession, the black community lost all of the wealth they have accumulated over the last 50 years.

For many students of color, the prospect of taking on debt is daunting and they have to weigh whether the value of a college degree is worth the risk of taking on student loans, which come with rising interest, and little consumer protection. However, good jobs in Oregon, those that pay well, offer benefits, and financially stabilize families, require a college degree. We can't afford to price students out of those benefits because of their fear of graduating with crushing debt.

I support Pay It Forward because it will lower the debt-burden for students and remove the upfront costs that are a barrier for so many students of color. In addition, when students graduate, their contributions to the state are income-based. That means that when a student graduates and takes an entry level job, they will be able to afford their monthly contributions and not damage

their credit. They may even be able to put away some money to invest in a home or business, save for retirement, or cope with an unforeseen emergency.

I urge the members of this committee to vote yes and support the Pay It Forward pilot.