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Dear Chair Turner and House Higher Education Committee Members,

My name is Aurora Harris; I am the Regional Director for Young Invincibles (YI) a national, non-partisan research and advocacy organization focused on critical economic issues facing young people ages 18 to 34, one of them being access to affordable higher education. In Texas we are based in Houston and Austin, work with young people throughout the state, and share in their struggles and successes on the path to financial security. During the last year we conducted extensive research on Texas student loan debt, including ten focus groups across the state, a debt financial literacy pilot workshop given to 150 young adult participants, and a July 2020 student loan debt survey administered to a sample size of 1,600 Texans between the ages of 18-34. Thank you for the opportunity to submit our research findings and recommendations regarding Interim Charge #3 and higher education in Texas.

Question 1: How can the state meet the goals of 60x30TX?

We recommend that in order to reach 60x30TX, Texas increases state investment in higher education, including investment in state financial aid, open educational resources, and policies for direct student support. We specifically lift up the need to provide stronger support systems for student parents, students of color, first generation college students, and students who are returning to complete a degree.

Addressing Student Loan Debt in Texas

As part of 60x30TX, Texas must address the crisis of college affordability and resulting student loan debt. Texas holds the second-highest student loan debt in the nation, now totaling more than 101 billion.¹ Texas is falling short to reach the goal that student loan debt will not exceed 60% of first year wages for graduates of Texas institutions, particularly as it relates to disparities in student loan debt.

¹ [Trellis](#).

Student debt has a disparate impact on Texans of color. On average, Black students borrow more and more often, with Black students who graduated from Texas state universities having a debt-to-income ratio of 117 percent and Latinx students at 71 percent, compared to 68 percent for their white counterparts.² Latinx students borrow smaller amounts because they are more likely to attend less-expensive, two year institutions.³ On the surface, this is positive news, but studies show that borrowers with the lowest amounts of debt are more likely to have not completed their program. These borrowers therefore face pressures of loan repayment without the higher earnings from a degree.⁴

In a study tracking students who earned their bachelor's degree from a public Texas university within six years, Black students borrowed an average of \$33,598 while white students borrowed an average of \$25,286. The study also showed that public institutions with the highest averages of student debt were those that had higher rates of Black and Latinx student enrollment.⁵

The negative impacts of student loan debt reach far and wide, including homeownership, going back to school, mental health, and affording daily living costs such as housing and food. On our recent statewide student debt survey, those who were also unemployed felt the most stress as a result of student loan payments.⁶ Texas must address the urgent and disparate impacts of debt to ensure financial security, especially as Texans navigate the COVID-19 pandemic. In addition to state investment in higher education, there are multiple state policy options which would support students and borrowers with current student loan debt, including:

Consumer protections: Protections embedded within student loan servicing directly impact the road to repayment for borrowers. One specific solution is the creation of a student loan ombudsman. A student loan ombudsman would research and track data regarding student loan debt, act as a public facing liaison, and investigate consumer complaints. This role would be critical in ensuring that Texas is actively reducing student loan debt and promoting positive debt repayment strategies. Additional policies to protect borrowers include ensuring that servicers provide information about income-based repayment plans and default prevention, student loan debt financial literacy programs, creating standards for student loan servicers, and halting student debt collections during the pandemic.

² Baker, D. J. "When average is not enough: A case study examining the variation in the influences on undergraduate debt burden." *AERA Open* 5, no. 2 (2019), 233285841986015. doi:10.1177/2332858419860153.

³ [Pew Research](#); Trellis- [State of Student Aid in Texas](#) (2020).

⁴ Unidos US. Latinos in Higher Education: [Student Loan Repayment](#). (2019).

⁵ Eva-Marie Ayala, ["Are Texas college students taking on too much debt? A new study suggests maybe."](#) *The Dallas Morning News*, 2019

⁶ Appendix- Figure 1. Young Invincibles Statewide Student Debt Survey- Administered July 2020.

Financial literacy initiatives: Young Invincibles' work in Texas supports the use of financial literacy education as a positive force in equipping borrowers to navigate the debt process. During our debt workshops, participants self-reported the strongest increase in understanding repayment options more than any other component of the workshop. One of the core things we heard was that the repayment process itself is fraught with confusion. Clear, accessible information regarding repayment options is critical.

Re-enrollment initiatives: In our student debt survey administered this July to 1,600 Texans, respondents communicated that student loans hinder milestones of changing jobs, starting a business, getting married, and pursuing more education. Over 40% of respondents shared that student loan debt hindered them from pursuing more education.⁷ We urge the Committee to consider policies that will create pathways to re-enrollment in higher education, with a prioritization for those who seek to finish their degree, yet currently have outstanding debt that prevents them from doing so.

Question 3: Is there legislative action that could help expand work-based learning?

High rates of unemployment have increased the need even more for work-based learning opportunities that connect graduates and Texans with in-demand careers. Now more than ever, Texans are seeking opportunities to upskill or shift employment sectors. Equitable opportunity is critical to larger efforts at increasing work-based learning across the state. We raise two solutions toward ensuring equitable apprenticeship and work-based learning opportunities.

Apprenticeship navigators: Navigators serve as key points of regional contact for apprenticeship programs. They can help to identify apprenticeship sponsors, create outreach for apprenticeships, and strengthen partnerships.⁸

Young adult voice: As the state convenes leaders together to move work-based learning forward, it is imperative that the voice of young people themselves be included in this leadership. Including the direct audience for those which such programs are geared towards will ensure that communication and outreach efforts are successful. We recommend that future committees and work groups on this issue include young adult voices, students and/or organizations representing young adults.

Question 6: What is needed in order to identify and address gaps in existing data collection methods?

⁷ Appendix- Figure 2. Young Invincibles Statewide Student Debt Survey- Administered July 2020.

⁸ Young Invincibles and Chicago Jobs Council. [The Third Pillar of Apprenticeship: Integrating Diversity Across Illinois' Apprenticeship System](#) (2020).

Across higher education initiatives, we recommend gathering data regarding the number of student parents enrolled in public postsecondary institutions. Should colleges and universities gather this information, it would equip them to better target supports to the unique needs of student parents, many of whom have also been homeschooling their children amidst the pandemic as they too complete coursework. Furthermore, understanding the needs of student parents is critical for designing workforce solutions such as the aforementioned apprenticeship and work-based learning opportunities.

Sincerely,

Aurora Harris, Southern Regional Director

Christina Long, Southern Policy and Advocacy Manager

Young Invincibles

Appendix:

Figure 1: Stress Related to Student Loans

Young Invincibles Statewide Student Debt Survey, Administered July 2020 to 1,600 Texans with postsecondary experience between the ages of 18-34. Note: These are preliminary results; final results will be released Fall 2020.

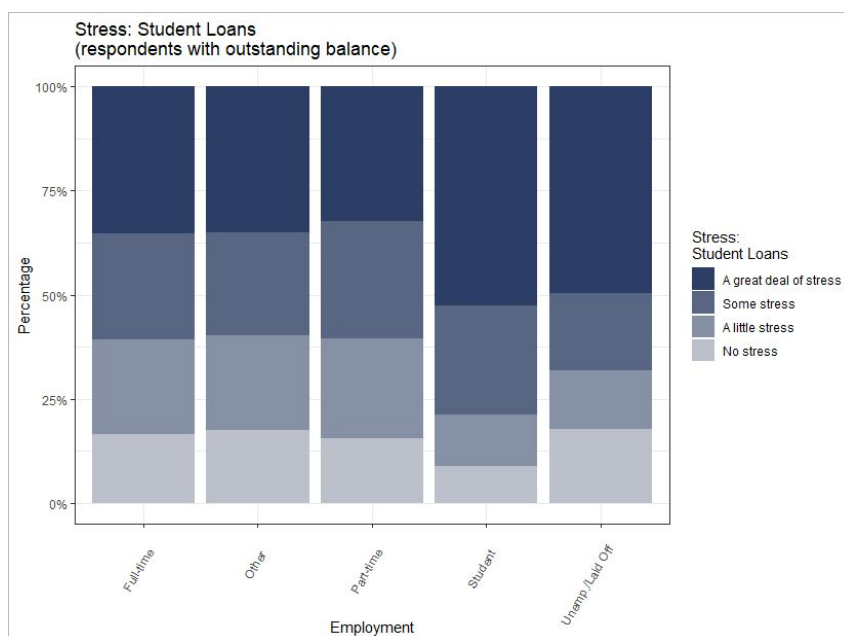


Figure 2: Stress Related to Student Loans

Young Invincibles Statewide Student Debt Survey, Administered July 2020 to 1,600 Texans with postsecondary experience between the ages of 18-34. Note: These are preliminary preview results; final results will be released Fall 2020.

