

Macro Roundup Article

Headline: [The Total Cost of Student Debt Cancellation](#)

Article Link: <https://www.crfb.org/blogs/total-cost-student-debt-cancellation>

Author(s)	CRFB Staff
Publication	Committee for a Responsible Federal Budget
Publication Date	April 30, 2024

Tweet: [@MarcGoldwein @BudgetHawks](#) estimates the cost of the Biden Administration's proposed student debt cancellations over the next decade at \$0.9-1.4T, more than total Federal spending on higher education from 1962-2019.

Summary: Including the Biden Administration's new student debt cancellation plan, we estimate all recent student debt cancellation policies will cost a combined \$870 billion to \$1.4 trillion. \$620 billion of debt cancellation has already been implemented, including \$275 billion from President Biden's new Income-Driven Repayment (IDR) program known as SAVE, \$195 billion from cancelling interest as part of nearly 41 months of repayment pauses since March of 2020, and roughly \$150 billion from a variety of more targeted actions such as discharging debt for those who attended closing schools and making it easier to cancel debt under existing loan forgiveness programs. The President's newest debt cancellation scheme could cost an additional \$250 to \$750 billion based on our preliminary estimates. Related: Debt Moratoria: Evidence from Student Loan Forbearance and PLUS or Minus? The Effect of Graduate School Loans on Access, Attainment, and Prices and How Gen Z Is Becoming the Toolbelt Generation

Primary Topic: Fiscal Deficits

Topics: College, Database, Education, Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Workforce

Permalink: <https://www.edwardconard.com/macro-roundup/marcgoldwein-budgethawks-estimates-the-cost-of-the-biden-administrations-proposed-student-debt-cancellations-over-the-next-decade-at-0-9-1-4t-more-than-total-federal-spending-on-higher-education?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2024/04/Debt-Cancellation.png>