Cor

Resolution

WHEREAS, National student loan debt has tripled since 2005 and is now at $1.2 trillion according to the Federal Reserve Bank of New York; and

WHEREAS, Student loan debt is quickly becoming a crushing burden for many Americans; and

WHEREAS, According to the "Chicago Tribune" 69 percent of recent college graduates nationwide have student loan debt and left school with an average of $28,950 in loans; and

WHEREAS, Illinois ranks 16th among states in terms of highest debt burden with an average debt of $28,984; and

WHEREAS, Illinois ranks 11th of all states with the highest number of students who must borrow to attend Illinois colleges; and

WHEREAS, Student debt more than doubled during the last 10 years at the largest Illinois public institutions, including Eastern Illinois University, Illinois State "University, Northern Illinois University, Southern Illinois University at Carbondale and Western Illinois University; and

WHEREAS, According to the Office of the Illinois Attorney General, complaints about phony debt-relief companies shopping too-good-to-be-true offers to Illinoisans topped the list of scams reported to its office in 2015; and

WHEREAS, Over the last decade, federal and state governments have increased grant aid for students at a rate that fails to match rising college costs; and

WHEREAS, Many state institutions including Illinois have faced cutbacks in government budgets which consequently have left students carrying a larger burden; and

WHEREAS, Since the State of Illinois has stopped funding the Monetary Award Program (MAP), DePaul University has announced it will honor every MAP award the state offered to more than 4,500 of its students this year and will also honor the MAP grant next year for all new entering students; and

WHEREAS, Northwestern University recently announced that starting next fall students who

qualify for financial aid will receive a combination of grants and scholarships, along with earnings from work-study and summer jobs, to cover their expenses to prevent students from being saddled with crippling loan debt; and

WHEREAS, Founder David Aronson of Chicago-based Peanut Butter, Inc. runs a platform to help companies create, manage and track the impact of loan repayment plans; and

WHEREAS, A 717-person, millennial-focused survey sponsored by Peanut Butter, Inc. found that respondents were willing to stay at a job at least 36 percent longer if a company offered student loan repayment; and

WHEREAS, Peanut Butter, Inc. hopes to help other startups guide young entrepreneurs through student loan woes and announced it is partnering with 1871, Chicago's digital startup hub, to connect more than 350 member companies and alumni companies to its services; and

WHEREAS, 1871 entrepreneurs and member companies have reported that their employees want a service that would help manage their student loans; and

WHEREAS, Student debt is not only a burden for college graduates in their twenties, but also for their parents, who often co-sign for their children's student loans; and

WHEREAS, Pursuant to federal law, it is difficult to discharge student debt in bankruptcy; and

WHEREAS, Private loans lack the income-based repayment and deferment options of federal education loans; and

WHEREAS, There are fewer consumer protections for private student loans than there are for federally-backed student loans; and

WHEREAS, The threat of financial ruin should not deter the youth of America from pursuing a higher education; NOW THEREFORE

BE IT RESOLVED, that the Committee on Finance calls upon the Chief Financial Officer of the City of Chicago, as well as representatives from the private sector, the Chicago City Colleges, other local colleges and universities, the Chicago Public Schools and other high schools in Chicago, to appear before the Committee on Finance to address the current issues surrounding the student loan debt crisis.

Edward M. Burke, Alderman, 14^{tn} Ward