

National Survey Shows Strong Support for Student Loan Cancellation Among Black Borrowers as Underfunding of HBCUs Compounds Students' Financial Challenges

November 2021

The \$1.7 trillion student debt crisis impacts over 44 million families nationwide, and the burden of student loans falls particularly heavily on Black students because of historical and ongoing systemic racism.¹ While Black families themselves typically have less wealth to draw upon to pay for college due to the racial wealth gap, Historically Black Colleges and Universities (HBCUs) have also been underfunded throughout their histories, compounding the challenges for HBCU students who face financial challenges at both the familial and institutional levels.² These challenges often result in higher student debt burdens for students who attend HBCUs and relative difficulty in repayment for graduates.

Despite these systemic challenges and the small average size of HBCUs, these institutions have an impact that is significantly greater than one would expect.³ Nationally, HBCUs annually generate more than 130,000 jobs and almost \$15 billion in total economic impact for their local and regional economies.⁴ Furthermore, despite representing only 3% of the nation's colleges and universities, HBCUs enroll almost 10% of all Black undergraduate students and award 17% of all bachelor's degrees received by Black students in the science, technology, engineering, and mathematics (STEM) fields.⁵

This memo presents five key takeaways from a survey of 1,900 individuals that was conducted online between April 10 and April 28, 2021 by the African American Research Collaborative on behalf of the United Negro College Fund, the Center for Responsible Lending, and the Center for Community Capital at the University of North Carolina at Chapel Hill. The survey compares the experiences of current and former Black students at HBCUs with their Black peers at predominately white institutions (PWIs) as well as with their white peers.⁶ Borrower quotations included in this report were taken from a series of focus groups conducted in December 2020.⁷

¹ Center for Responsible Lending, UnidosUS, the National Association for the Advancement of Colored People, the National Urban League, and the Leadership Conference Education Fund. September 2019. *Quicksand: Borrowers of Color and the Student Debt Crisis*. Available at <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crlquicksand-student-debt-crisis-jul2019.pdf>.

² Harris, A. 2021. *The State Must Provide: Why America's Colleges Have Always Been Unequal—and How to Set Them Right*. New York: Ecco Press.

³ Saunders, K.M. & Nagle, B.T. 2018. "HBCUs Punching Above Their Weight: A State-Level Analysis of Historically Black College and University Enrollment and Graduation." *UNCF Frederick D. Patterson Research Institute*. Available at https://cdn.uncf.org/wp-content/uploads/PATW_Report_FINAL0919.pdf?_ga=2.34149985.1335804545.1624899151-1816928044.1624399217.

⁴ Ibid.

⁵ Ibid.

⁶ The margin for error is +/- 2.3%. For Black HBCU current and former students (n=750), as well as for their Black peers at predominately white institutions (n=750), the margin for error is +/- 3.6%. For all Black respondents (the combined total of the former two groups, representing 1,500 respondents), the margin for error is +/- 2.5%. For white respondents (n=350), the margin for error is +/-5.4%.

⁷ A series of focus groups was conducted online by Hart Research on behalf of the United Negro College Fund, the Center for Responsible Lending, and the Center for Community Capital at the University of North Carolina at Chapel Hill. The focus groups were conducted in December 2020 using "QualBoards," an online multi-day, in-depth qualitative discussion platform. Three focus groups were conducted with Black student loan borrowers. All quotes in this memo are taken from the focus group transcripts, and some have been lightly edited for clarity.

Key Takeaways Include:

1. HBCUs stepped up to support their students during COVID-19. Almost one in three (31%) Black students at HBCUs received emergency aid from their institution, compared to only one in five (21%) Black students at PWIs and even fewer (18%) white students.

- **The COVID-19 crisis took a toll on Black students nationwide, with stresses felt most acutely by those students who attend HBCUs.** While 38% of Black students currently enrolled at PWIs report that “stress about the pandemic has impacted my grades,” 44% of Black students at HBCUs report the same.

2. Black borrowers both receive and provide financial assistance from their families (Figure 1). Black families face financial challenges because of centuries of economic oppression and discrimination, and student loans are both a cause and consequence of the current racial wealth gap.⁸ This survey reveals that more than two in three Black student loan borrowers (70%) used the Pell Grant (the most prominent federal source of direct grant aid to students) to pay for college. Additionally, one in three Black borrowers (36%) received financial assistance from their family to pay for college, and approximately one in four (27%) Black borrowers received additional financial aid assistance from their parents through Parent PLUS loans (federal student loans available to parents of dependent undergraduate students). This means that more than one in four Black borrowers reported that their own parents are going into debt to assist them with college costs.



“My mother could not really afford to give me much money, but she sent a care package every month with food and supplies. My father and grandmother used to send me money to help with...expenses.”

-43, Male, Private HBCU

Figure 1: HBCU Students Both Give and Receive Financial Assistance to and from Family During College

	Black	Black Men	Black Women	Black PWI	Black HBCU	White
Financial assistance from parents, guardians, family	36%	39%	34%	31%	40%	47%
Parent PLUS	27%	27%	28%	21%	34%	14%
I did not receive financial support from my family	27%	15%	35%	38%	17%	22%
I provided financial support to my family when I was a college student	28%	27%	29%	27%	30%	29%

Source: African American Research Collaborative (AARC) 2021 survey, with the United Negro College Fund, the Center for Responsible Lending, and the University of North Carolina’s Center for Community Capital.

- **Financial assistance often goes both ways.** Thirty percent of HBCU students report providing financial support to family members when they were in college (Figure 1). Research has established that students at HBCUs typically graduate with substantially higher debt than their peers at non-HBCUs, and these data suggest that they may also both receive and provide more resources during college from and to their families.⁹



“I helped my mom pay rent monthly as well as being the primary cook and the primary cleaner of the house.”

-28, Female, Public HBCU

⁸ Center for Responsible Lending et al., September 2019.

⁹ Saunders, K.M., Williams, K.L., & Smith, C.L. 2016. “Fewer Resources, More Debt: Loan Debt Burdens Students at Historically Black Colleges and Universities.” *UNCF Frederick D. Patterson Research Institute*. Available at <https://www.luminafoundation.org/wp-content/uploads/2017/08/fewer-resources-more-debt.pdf>.

3. Black women receive less financial support from family during college compared to Black men, and they tend to struggle more than their male counterparts during repayment. While fewer than one in five (15%) Black men report receiving no financial assistance from family during college, more than one in three (35%) Black women report the same (Figure 1). And while fewer than half of all respondents in repayment (49%) report that they are currently making payments on their student loans, in part because of the COVID-19 payment pause, only 41% of Black women were making payments compared to 61% of Black men.

4. Many current student borrowers report skipping meals because there wasn't enough money for food. Among current students at PWIs, fewer than one in three current Black students report occasionally skipping meals (29%), compared to more than two in five (44%) current Black students at HBCUs.



“Sometimes in a month I won’t be able to buy groceries or even keep up [with my finances], but I get help from some friends who sometimes give me food.”

-24, Female, Private HBCU

5. Black respondents indicate overwhelming support for \$50,000 in across-the-board student loan cancellation (85% support). Over nine in ten Black borrowers also support eliminating interest payments for all student loans, increasing state funding for HBCUs to match funding at public PWIs, and increasing the amount of the Pell Grant.

Figure 2: Black Borrowers Overwhelmingly Support Student Loan Cancellation, Increased HBCU Funding

	Black Borrowers	Black Borrowers Affiliated with HBCUs	Black Borrowers Affiliated with PWIs	White Borrowers
Cancel the first \$50,000 in student loan debt for every borrower	85%	87%	82%	83%
Eliminate interest payments for all student loans	93%	92%	93%	88%
Forgive student loans for people who were defrauded or misled by for-profit colleges or whose schools closed while they were enrolled	90%	89%	92%	89%
Require that all schools have a plan in the event of school closures to ensure that students' academic paths are not disrupted and they can transfer credits and graduate on time	94%	92%	95%	92%
Invest in Historically Black Colleges and Universities by increasing state funding per student to match the level of funding at predominately white public colleges and universities	92%	92%	92%	80%
Increase amount of federal Pell grants available to low-income students	92%	91%	93%	89%

Source: African American Research Collaborative (AARC) 2021 survey, with the United Negro College Fund, the Center for Responsible Lending, and the University of North Carolina’s Center for Community Capital.



The United Negro College Fund mission is to build a robust and nationally-recognized pipeline of African American students who, because of UNCF support, become highly-qualified college graduates and to ensure that our network of 37 HBCUs is a respected model of best practice in moving students to and through college. UNCF served as the project lead.



The Center for Community Capital provides rigorous, multidisciplinary research on financial, social, and human capital that can advance knowledge, improve policy, inform practice, and create more equitable social and economic systems. CCC is part of the University of North Carolina at Chapel Hill's College of Arts and Sciences and an affiliate of the Center for Urban and Regional Studies.



The Center for Responsible Lending is committed to eliminating barriers to economic opportunity so that all Americans, regardless of race, ethnicity or economic circumstances, have a fair chance to build family wealth and secure economic stability for themselves and their communities in a fair and open financial services marketplace.



African American Research Collaborative (AARC) completes quantitative and qualitative research with a commitment to bringing an accurate understanding of African American civic engagement to the public discourse. This organization completed the survey portion of the project.



Hart Research Associates is one of the premiere research firms in the United States and has been at the cutting edge of change in public opinion since its founding in 1971. During that time, Hart Research has conducted well over 8,000 focus groups and has administered and analyzed interviews among nearly five million individuals. This organization was engaged to complete the Qualboard portion of the project.