



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Penn Wharton Sounds the Alarm on Biden's Student Loan Bailout Scheme

WASHINGTON, D.C. – Today, the Penn Wharton Budget Model (PWBM) released an [analysis](#) of President Biden's latest student loan cancellation scheme, which was unveiled earlier this week.

PWBM's report reveals this plan is projected to cost taxpayers **\$84 billion** and would disproportionately affect high-income earners. Roughly "**750,000 households** making over **\$312,000 in average household income**" would be eligible for longer-term student debt cancellation.

Chairman Jodey Arrington (R-TX) issued the following statement on the President's scheme to "cancel" student loans:

"President Biden is pushing unconstitutional student loan policies in his quest to buy votes. In reality, his plan will shift the responsibility of paying for loans owed by high-income earners who freely incurred them onto the backs of all taxpayers, many of whom do not even have a college degree.

His administration is dead set on circumventing the Supreme Court, defying Congress, and saddling our country with more debt. Meanwhile, President Biden has fumbled this year's Free Application for Federal Student Aid (FAFSA) program at every turn, delayed student aid packages, sending incorrect aid amounts, and making college less accessible for millions of low-income students.

As too many families struggle to make ends meet, and as our nation faces an unprecedented debt crisis, one thing is clear: the American people cannot afford four more years of this Administration."



TOPLINE NUMBERS

In just three years, the Biden Administration has attempted to spend a staggering **\$1 trillion** on loan “forgiveness,” all without congressional approval.

- The Congressional Budget Office estimated that President Biden’s unconstitutional student loan bailout would have cost taxpayers more than **\$330 billion**.
- The President’s six unwarranted extensions of the pandemic student loan repayment pause have increased the deficit by **\$165 billion**.
- One of the Administration’s recent backdoor student loan cancellations, the so-called “SAVE Plan” could cost taxpayers as much as **\$558 billion** over the next decade.

Biden’s latest plan is projected by PWBM to cost taxpayers **\$84 billion** over the next decade.

President’s FY25 budget proposal doubles down on these student loan bailouts, asking for **\$290.3 billion** to “reduce the cost of and expand access to postsecondary education, and training,” including **\$90 billion** for “free community college.”

In stark contrast, the [House Budget Committee’s FY 2025 “Reverse the Curse” budget resolution](#) **proposes to end current and future student loan bailouts**, ensuring the Department of Education **focuses its time and resources on necessary programs**, not President Biden’s vote-buying scheme.

THE BOTTOM LINE

As PWBM’s analysis underscores, student loan bailouts are regressive.

- More than 60 percent of Americans **do not** have a college degree.



- **Only 13 percent of taxpayers** have student loan debt.

Further bailouts do nothing to address the root cause of soaring tuition prices. Since 2000, college tuition and fees have **increased by a whopping 186 percent**, or twice the increase in inflation.

Millions of working-class Americans hold debt in the form of mortgages, car loans and credit card debt, and none of them got their balances wiped away.

Click [HERE](#) to read “The Cost of... Biden’s Radical Free College Agenda”.

Click [HERE](#) and [HERE](#) to read about the Biden Administration’s FAFSA failures.

Click [HERE](#) to read Chairman Arrington and Chairwoman Foxx’s joint statement on Biden’s student loan bailout scheme.

Click [HERE](#) to read Chairman Arrington’s most recent statement on Biden’s student loan bailout scheme.

