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What the student loan payment pause has meant to Black women

Danielle Douglas-Gabriel : 10-13 minutes : 4/3/2022

“It almost feels like a raise,” said Lisa Jackson, 56, who owes \$175,000 for her son and daughter’s college educations. “With the money I would have given towards the loans, I paid off a little outstanding tax debt, which I don’t know I could have done otherwise.”

The payment moratorium has touched the lives of many Americans, but it has perhaps meant the most to the group who stood the most to gain from it — Black women, like Jackson, who [shoulder a disproportionate share](#) of the \$1.7 trillion student debt burden.

Women hold two-thirds of education debt, an [analysis](#) of federal data by American Association of University Women shows, but Black women have the highest average total at \$41,466 for undergraduate and \$75,085 for graduate school one year out from graduation. The study found that women overall borrowed an average of \$31,276 — for undergrad and \$51,035 for graduate studies.

“A lot of Black women are pursuing additional credentials, going back for graduate work and having to take on debt to do so,” said Fenaba R. Addo, an associate professor of public policy at the University of North Carolina at Chapel Hill. “It’s a contributing factor to their debt levels.”

We talked to Black women about what the payment pause meant for them. Some purchased homes or opened savings accounts. Others invested for their retirement or caught up on other bills. There was an overwhelming appreciation for the reprieve and some dread as it is set to end in May (though the Biden administration has been [urged](#) to extend it again).

Another source of income

Black women shoulder a disproportionate share of the \$1.7 trillion student debt burden. Here’s what the student loan payment pause has meant to them. (Video: Amber Ferguson/The Washington Post, Photo: Eric Lee/The Washington Post)

Between her undergraduate studies at the University of Virginia and a graduate degree from the University of Maryland, Joy Omenyi, 27, has amassed \$72,000 in student debt. Her education has helped her land a job as a product manager at Comcast, she said, but at a hefty cost.

Everything changed when the pandemic forced people to shelter in place. Omenyi decided to move in with her parents in Ellicott City, Md., when her job in North Carolina went remote and her lease was up. Sharing a house with mom and dad meant she could pocket the money that would have gone to rent, and couple the savings with the money that would have gone to repaying her student loans.

With the additional funds, Omenyi purchased a fixer-upper that she is renting out. The Maryland native also upped the contributions to her 401(k) retirement account, funded a [Roth IRA](#), built up emergency savings and began investing in the stock market.

“I’m being bullish with the money because I want to get to a point where the things I’ve invested in can pay [my student loan] off,” Omenyi said. “With the property, I know that when rent comes in it is just going to go directly to the Department of Education.”

Chance to boost wealth

With an eye toward family, Lamesha C. Brown and her husband used some of the money they saved on their student loans to purchase a second home in Alabama for her sister-in-

law to live in. When she recently moved out, the couple began accepting Section 8 vouchers.

Brown, whose family relied on public assistance growing up, said she hopes to give other families an opportunity to live in a safe, secure home, as she did as a child.

The pandemic struck a few months after Brown, 34, earned a PhD in college student affairs administration from the University of Georgia. Federal student loan borrowers typically have six months before they begin repaying their debt. But the pandemic payment freeze turned that grace period into a two-year stretch for Brown, who owes roughly \$31,000.

During that time, Brown opened a Roth IRA to save for retirement. Having moved into a higher paying job in education technology in the last year, Brown is confident she and her husband can make an annual contribution of \$6,000 to the retirement account — the maximum limit.

“If there is a possibility to retire early, we would love that,” said Brown, who lives in St. Cloud, Minn. “And we really want to set something up for our parents to help them out financially. They don’t have retirement accounts, so it’s going to be on us and our siblings to take care of them.”

There has been an increase in first-time homebuying among student loan borrowers during the payment moratorium, according to an Urban Institute [analysis](#) of credit bureau data. The Washington think tank, which conducts economic and social policy research, found student loan borrowers were more likely to become homeowners during the pandemic than people without education debt.

Still, a National Association of Realtors [study](#) found homeownership rates for Black Americans, at 43.4 percent in 2020, lagged other racial groups and was actually lower than the prior decade. Researchers attribute the gap, in part, to a decline in housing affordability and hefty student debt held by Black Americans making it difficult to save.

Wealth inequality — the lack of savings, investments or other financial assets — created the need for Black women to borrow, and borrowing can exacerbate economic disparities, said Addo at UNC-Chapel Hill.

“The racial wealth disparity grows across young adulthood, with Black borrowers — both men and women — paying down their debt slower [than other groups] or not at all after leaving college,” Addo said.

The glacial pace of repayment is linked to glaring pay inequity, as Black women with a bachelor’s degree earn [63 cents](#) for every dollar earned by White men with the same credential. Those with advanced degrees have [median weekly earnings](#) less than White men with only a bachelor’s degree.

Add to those challenges the propensity for [providing financial support](#) to extended family, and the economic promise of college credentials can wane for Black women.

“There’s a harmful, false narrative out there that for too long has not included us, erased us,” said Rep. Ayanna Pressley (D-Mass.), a Black woman who is championing debt cancellation as a racial justice issue. “Black women carry 20 percent more [student loan] debt, and that has to do with a lack of pay equity and discriminatory policies.”

Efforts to address pay inequity have yielded mixed results. The Biden administration has [taken steps](#) to close gender and racial wealth gaps for new federal workers and employees of federal contractors, but Congress has failed to advance legislation that would broadly protect pay transparency.

The congresswoman from Massachusetts said she struggled with her own student loans and defaulted on the debt before recently paying them off. Pressley worked multiple jobs, she said, and still had a hard time getting ahead.

Army veteran Alphi Coleman, 38, can relate. The stress of working unfulfilling jobs to get ahead was wearing her down before the pandemic.

“All I was doing was working to pay my student debt,” said Coleman, who owes nearly \$90,000 from attending the University of Phoenix. “The pandemic allowed me to realign and reassess ... take a pause, rest.”

Coleman, who lives in Los Angeles, left her job in human resources early on in the pandemic. The decision put her in a precarious financial state, but she said she needed a reset. The federal loan pause covered half of Coleman’s loans. She was able to defer payments on the remaining debt through an unemployment deferment.

The reprieve, Coleman said, also gave her a chance to explore something she has always wanted to do: develop a meditation and mindfulness program for neurodivergent people of color, like herself. She worries her student debt could hinder her from qualifying for a business loan down the road because of her debt-to-income ratio.

“I don’t want to step back into the corporate nine-to-five and try to fit into that culture,” Coleman said. “I would love to ... create enough financial security to thrive.”

A much-needed break

The \$152,000 in student debt that Crystal Elliott-O’Connor, 53, owes had made it nearly impossible to set aside any money. The suspension of payments changed that.

“It was a blessing for me to catch my breath and figure things out,” said Elliott-O’Connor, a pastor in rural Illinois who acquired the bulk of her debt pursuing a master’s in divinity at Northern Baptist Theological Seminary (now known as Northern Seminary).

Still, she is worried about what will happen when the freeze lifts. She is on an income-driven payment plan, and her salary has gone up in the past two years: “I’m fearful because I make more than I did before the pandemic so my bill is going to be even bigger than the \$445 a month I used to pay.”

Student loans have shaped much of Elliott-O’Connor’s adult life. They gave her a chance at an education that her family could not afford. They kept her working as an educator with the promise of public service debt forgiveness when she was ready to strike out on her own. And they helped her family survive — covering food, housing and the care of her disabled mother — while she attended seminary.

Elliott-O’Connor suspects her debt will remain a part of her life for the foreseeable future. But for a brief moment, she got a chance to live without it.

The inescapable

For Jackson, a single mother of two in Odenton, Md., the reprieve from her Parent Plus loan payments elicited a mix of emotions.

“I rejoiced,” she said, “yet the debt is still looming in the background, like a monster that’s being kept at bay for now.”

Jackson, a statistician for the federal government, will be paying over \$1,000 a month on her loans — the equivalent of [rent](#) in many American cities — when the payment suspension ends. Her children also took out loans themselves and received scholarships to pay for school, and her daughter attended a local public university. Without financial support from her ex-husband, Jackson said, the responsibility of her children’s education fell to her.

In addition to helping Jackson clear away tax debt, the extra money from the pause made it easier to afford last-minute plane tickets to check on her elderly parents.

“I was able to do it at the drop of a hat, which felt like a luxury,” Jackson said of the trip. “I look at my parents — they’re in their eighties — and I’m trying to envision myself still having this loan payment at their age. I just can’t fathom it, but that’s probably my reality.”

About this story

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