**Policy Discussion: Student Loan Forgiveness**

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**Introduction**

Increase in cost and return in education system especially in colleges result in an increase in student loans demand. Education and high literary is the factor that improve the human capital for the economic growth of the nation. However, in America there is a constant increase in college cost that is a crucial issue. The main purpose of the paper is to analyze the reason of increasing cost and return for decreasing the student loan debt. It is important to ensure the better and low cost education to all students.

**Discussion:**

In America loan default rates of students have increased due to various reasons. The main factors that resulted in this increase are labor market uncertainty and increase in debt level. Investors are confused in this situation whether college is worth investment now or not. However, researches indicate that investment in colleges degree is still beneficiary because there is a decline in average wages for the no college degree worker. The gap of wages between degree holder worker and non-degree holder will remain high therefore investor can get higher return if they invest in colleges.

Trend shows that college cost is increasing each year rapidly. Over past decade, cost has been increasing three times and nation has never notice such increase at least in financial terms. Trends also indicate that about 1.5 trillion dollars held by 44 million Americans which mean every single American out of four is paying student loans. More increase is expected in coming years. Due to this excessive student loan, people are facing various personal and societal consequences. Individuals are unable to earn higher amount because large portion of their income spend over paying student loan. These individual consequences also result in other societal consequences like delay in house purchasing, marriage, and child bearing. Young individuals who have aim to create their own business face difficulties in getting business loan (“Student Debt Crisis: Numbers, Stories & Proposals | Morningside Center for Teaching Social Responsibility,” n.d.).

Increase in college cost is a serious issue and politicians have already proposed various policies to control student loan debt. Aim Higher Act was proposed by house democrats who will be effective to reduce the tuition fees along with elimination of financial incentives. New York presented the proposal of free tuition fee at state colleges. In addition, policy makers also considering the proposal of student loan forgiveness and cancellation. However, many people are against loan forgiveness because the main issue is the high cost of education which should be solved. People argue that instead of complete forgiveness investment should be increase in colleges to reduce the fees of institution. In addition, families who can pay loan should return some of the proportion to share the burden of government. In other words, only those families should be get benefit who earn less (“Forgiveness, Cancellation, and Discharge,” 2019).

Government is trying to control the loan debt but it is also important for the borrowers to know their responsibility. It is the responsibility of the student to use their loan which can increase their productivity in future. In addition, return of loan should be the priority of the students. Besides, college should be reformed. Tuition fees should be rescued so that student should not go for high loans. Colleges can also increase scholarship percentage so that more students can study without the worry of fees (Lochner & Monge-Naranjo, 2015).

Conclusion:

College loan debt is the serious issue in contemporary time because there is a rapid increase from last few decades. Students are facing individual and societal consequences due to the issue. Government is showing seriousness to the issue and providing various proposals. However, it should be remember that college fee is the main issue which should be resolved to decrease the student loan debt in future.

**References**

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