

MOTION

In 2022, Americans continue to be burdened by student loan debt. According to the Federal Reserve, among the class of 2020, 55% of bachelor’s degree recipients took out student loans, graduating with an average of \$28,400 in federal and private debt. Americans owe nearly \$1.75 trillion in student loan debt, spread out among about 46 million borrowers. This system is often predatory and disproportionately impacts college students of color who are the most likely to use federal loans- saddling them with debts that impact future financial gain.

The COVID-19 pandemic has given rise to unprecedented economic hardships for our youth, especially those who already have debt. Recognition that student loans have hindered this group from fully participating in the economy is a key foundation to systemically investing in our youth. Student debt cuts off the ladder to economic mobility, making opportunities like owning a home or becoming financially independent increasingly difficult to attain. Oftentimes, students are financially punished for attempting to better themselves and their families. To further financial wellbeing for future Angelenos, they need to be able to create economic opportunities to be able to stay and contribute to their own and the City’s livelihoods.

Building on the work of the Youth Development Task Force, reforms and programs have been identified to better serve young people. The Los Angeles City Youth Development Department (YDD) was created to empower and give voice to the nearly 800,000 youth in this City. One of the services that should be offered through this Department is a suite of trainings and courses on college aid and personal financial management, such as financial literacy and certification, saving and investing, and other wealth-building support for young Angelenos. These trainings and courses could provide a better foundation for personal finance through education on budgeting skills and lessons on student loan borrowing practices. Creating a youth centric knowledge base will serve as a useful repository of data that can better prepare youth on the benefits of personal financing.

I THEREFORE MOVE that the City Council instruct the City Administrative Officer (CAO), in coordination with the Youth Development Department, with assistance from the Economic and Workforce Development Department (EWDD), Community Investment for Families Department (CIFD), the Office of Finance, and other pertinent departments, be requested to report back on the proposed administrative operation, oversight, and estimated costs needed to establish these tools and resources for young people.

I FURTHER MOVE that the CAO be directed to identify funding in the 2022-23 Budget to support the intent of this Motion.

MAR 1 1 2022

PRESENTED BY:
MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:

