



Waivers for the Public Service Loan Forgiveness Program: Who could Benefit from Take-Up

Background

- The Public Service Loan Forgiveness (PSLF) program was established in 2007 to provide student loan relief for individuals working in public and nonprofit sectors, but its implementation has been fraught with bureaucratic hurdles and low approval rates. In response, the U.S. Department of Education introduced a temporary waiver in 2021 to address systemic barriers, allowing more borrowers to qualify for loan forgiveness retroactively.

Study Overview

- This study examines the impact and distributional consequences of the PSLF waiver program using data from the 2018 Survey of Income and Program Participation (SIPP). By estimating the potential take-up rate and the demographic and occupational characteristics of eligible borrowers, the research assesses how the waiver could affect student debt burdens and economic disparities.

Learn More

- Briones, D. A., Ruby, N., and Turner, S. (2024), Waivers for the Public Service Loan Forgiveness Program: Who could Benefit from Take-Up. *J. Pol. Anal. Manage.* doi:10.1002/pam.22566
- <https://doi.org/10.1002/pam.22566>

Key Takeaways

- The authors estimate that up to 3.45 million borrowers could receive student loan relief through the PSLF waiver, with a total potential for over \$100 billion in loan forgiveness.
- The study found that the program disproportionately benefited public sector workers, with eligible beneficiaries primarily consisting of teachers, healthcare professionals, and social workers, reflecting the program's focus on public service occupations.
- Black borrowers, who are more likely to work in public service and carry higher student debt, stand to gain significantly from PSLF forgiveness, helping to narrow racial disparities in student debt.
- Despite the program's broad reach, borrowers with advanced degrees and higher incomes have been more likely to take advantage of PSLF, raising concerns about the progressivity of the waiver's impact.
- Many potentially eligible borrowers did not apply before the waiver's expiration, highlighting persistent administrative barriers in outreach and policy implementation.