Local borrowers react to Biden student debt relief announcement

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PUBLISHED 5:19 PM ET Aug. 24, 2022

WORCESTER, Mass. - For some local graduates, President Biden's student loan forgiveness plan is reason to breathe a sigh of relief.

Despite being saddled with student loan debt as a first-generation college student, Katherine Aguilar has worked hard to get her small business off the ground and make a name for herself in Worcester's business community.

"I don't know any one of my friends that doesn't have student loan debt, even if they didn't finish school, they still have debt, so it's definitely something that impacts a lot of people," Aguilar said.

What You Need To Know

Local student loan borrowers are hoping President Biden's student loan forgiveness plan will offer some peace of mind

President Biden's plan will give borrowers earning less than $125,000 per year $10,000 in student loan forgiveness

Katherine Aguilar, a first-generation college student, said it will help her focus more on running her small business

Aguilar opened Kommon Sense Co in March 2020, and has struggled to grow through the pandemic

Aguilar graduated from Worcester State University in 2017, but the journey to get her degree spanned five years and four different schools.

"I started UMASS Boston my freshman year, but that was before they had dorms so I had to pay for a very expensive apartment and that only lasted a year," Aguilar said. "Then from there, I got my associates degree at Quinsigamond Community College, which was great. From there, I went to UMASS Amherst, I only went there for a semester because there was an issue with my transfer paperwork. I ended up transferring out and finished at Worcester State."

After leaving a corporate job she got right out of college, Aguilar launched Kommon Sense Co, an eco-conscious gift boutique located in the Worcester Public Market. She admits the timing wasn't ideal.
"The weekend before the pandemic hit!" Aguilar said. "So that’s been a journey in itself. I’ve had to pivot plenty of times, as many business owners have during the pandemic."

Aguilar said there are plenty of slow days, but being able to take her mind off of student debt will help keep her focus where it matters.

President Biden’s plan will give borrowers earning less than $125,000 per year $10,000 in student loan forgiveness, or $20,000 if they went to college on Pell Grants. People with undergraduate loans will also be able to cap repayment at 5 percent of their monthly income.

"That will eliminate a very big chunk of my debt, which will put me in a better position to reinvest in my business and continue putting that money into our community, which I think is important for our economy," Aguilar said.

David Sullivan, Director of Economic Development for the Worcester Regional Chamber of Commerce, hopes the forgiveness plan will give small business owners like Aguilar the boost they need to keep doors open.

“For a college city like Worcester, we have eight colleges and universities here in the city alone, 30,000 college students who we want to stay in Worcester after they graduate,” Sullivan said. "Personally, I went to Clark University, and now I’m still here living in the city and that’s exactly what we want our students to do. Being provided this relief is a huge benefit for people.”