

# THREATS TO COLLEGE AFFORDABILITY

EDUCATION AND CAREER ADVANCEMENT

**Impacts of the OBBB on Women and Families | September 2025**

In July 2025, President Trump signed the [Republican-led H.R. 1](#), the “One Big Beautiful Bill” (OBBB) into law. The new law is a sweeping tax and spending package that forgoes trillions in federal revenues to award tax cuts to the wealthy while stripping essential care and protections from women and families. While implementation of the OBBB’s wide-ranging provisions will be staggered in the coming months and years, the threat to women’s economic security and well-being is both imminent and far-reaching across each of the Institute for Women’s Policy Research’s (IWPR) [Federal Policy Solutions to Advance Gender Equity](#) four priority areas.

This policy brief focuses on the OBBB’s impacts on women’s [education and career advancement](#), specifically on the issues outlined in IWPR’s [College Affordability](#) and [Supporting Student Parents](#) policy briefs. As millions of women and their families—particularly women of color and student parents—seek higher education, explore student loan options, and face the continued burden of student loan debt, the harmful consequences of the new law will only further compound existing challenges they face in striving for economic equity and security.

## **The OBBB Higher Education Provisions Harm Women and the Economy:**

- Compounds existing college access and student loan debt challenges for women, students of color, and student parents by cutting \$1.4 trillion in higher education, health care access, and food assistance programs and dismantling student loan programs and repayment options.
- Limits women’s college affordability options and adds to their student debt repayment burdens, threatening the economic security and well-being of women and families and the nation’s economic stability.
- Takes critical investments away from women and student parents seeking education to provide tax cuts for the wealthy, which will stall economic growth and have long-term negative impacts on the financial security of families and the nation.

## OVERVIEW

Postsecondary education can yield critical benefits and provide a path to economic security for women in the United States. Yet, the rising cost of college often makes student loans the only viable option for women to afford college, particularly Black women without intergenerational wealth. **Women hold nearly two-thirds of all student loan debt in the nation. They are more likely than men to take on higher debt and are more likely to stay in debt longer.** This has major impacts on the lives of women and families and can add to food and housing insecurities and other forms of debt. Student parents—particularly student mothers—who already face unique barriers to academic success and basic needs insecurities, are more likely to face additional challenges and a lack of institutional support services, take out student loans, and have a harder time paying them off.

## HARMFUL OBBB HIGHER EDUCATION PROVISIONS

The OBBB threatens college access and the future economic well-being of women—particularly women of color and parenting students—and the nation's overall economic stability. Analysis from the [Washington Center for Equitable Growth](#) finds that the increasing role of women as breadwinners is essential to supporting family incomes and maintaining US economic security.

Key OBBB provisions that put the economic security of women, families, and the nation at risk include:

- **Cutting \$1.4 trillion from crucial programs that support students' access to higher education, health, and well-being.** Though the [Congressional Budget Office](#) estimates that the OBBB will cost \$3.4 trillion over the next 10 years, the law includes nearly \$300 billion in cuts to higher education and the student loan repayment system. In addition, the OBBB also cuts \$1.1 trillion from Medicaid and the Affordable Care Act (ACA) and \$186 billion from the Supplemental Nutrition Assistance Program (SNAP). Programs like Medicaid, ACA, and SNAP provide critical support for student parents. Student parents, including single mothers, are **more likely** to come from low-income households and to qualify for and rely on such programs as they pursue higher education and future economic mobility and security.

## SNAP and Students: OBBB Cuts and Consequences

SNAP, a program administered by the [US Department of Agriculture](#), is the nation's largest nutrition assistance program, helping an average of 42 million people feed their families every month. **The majority (62 percent) of participating adults in the program are women.** Even prior to the OBBB's enactment, the [Government Accountability Office](#) estimated that 59 percent of food-insecure students potentially eligible for SNAP didn't receive benefits, possibly due to other eligibility criteria that are often difficult for students to meet.

- In addition to the \$186 billion cut to SNAP (approximately a 20 percent cut and the largest in the program's history, according to the [Center on Budget and Policy Priorities](#)), the OBBB includes extended work requirements for SNAP benefits eligibility. The [Urban Institute](#) estimates that these and other SNAP provisions in the law could result in as many as 22.3 million families losing some or all SNAP benefits.
- The [US Department of Agriculture's Economic Research Service](#) found that every dollar spent on SNAP generates \$1.54 in benefits for local economies, so the loss of tens of billions in SNAP cuts over the next decade will be felt not just by students on campuses and families around the dinner table, but also in surrounding communities across the country.

- **Eliminating entire student loan programs and decreasing borrowing caps, diminishing options to access college education.** The new law eliminates Grad PLUS loans, which have been used to pay for education expenses not typically covered by other financial aid sources, beginning July 1, 2026. In addition, the OBBB lowers the lifetime graduate student borrowing cap from **\$138,500** to \$100,000 and institutes a \$257,500 lifetime gap for all students (excluding Parent Plus loans). Parent PLUS loans, which previously allowed parents to borrow on behalf of their dependent student up to the student's full cost of attendance, are also now capped per dependent at \$20,000 annually and no more than \$65,000 in total.
- **Limiting eligibility for the Pell Grant program.** The new law opens the Pell Grant program for use for short-term workforce and job-training programs, but with few meaningful guardrails. Students receiving grant aid from other sources that meet or exceed the cost of attendance will no longer be eligible for a Pell Grant.
- **Stripping student loan repayment options and protections, especially for those with low incomes.** The new law eliminates options for borrowers to adjust loan repayments based on income or family size, reducing it down to two student loan repayment plans: a standard 10–25-year plan or a Repayment Assistance Plan (RAP). This includes eliminating economic hardship and unemployment deferments and reducing the total period a borrower may be in forbearance.
- **Blocking federal loans for certain programs without accounting for high-need job sectors that may be lower-paying professions.** Beginning July 1, 2026, the OBBB will block federal loans for undergraduate programs if half or more of the graduates from that program earn less than the median earnings of high school graduates aged 25–34 in the state. Likewise, federal loans for graduate programs will be blocked if half or more of the graduates earn less than the median earnings of bachelor's degree holders in the same field and state. These provisions could lead to students—particularly women—being unable to receive federal loans to enroll in programs such as **social work** and other fields predominantly comprised of women, which provide critical societal benefits but don't necessarily result in high earnings following graduation.

## WHAT THE RESEARCH SAYS

- Research from **Georgetown University** shows that more people earning college degrees will result in **additional net earnings of \$14.2 trillion for workers in their lifetimes**, which in turn bolsters the US economy through additional spending and tax revenue. These economic benefits play a crucial role in driving women's economic mobility. According to IWPR's **State Policy Action Lab**, women's median annual earnings for full-time year-round work increases by each degree of educational attainment. In 2023, for instance, women earned \$46,000 a year with some college or an associate's degree, \$67,000 with a bachelor's degree, and \$85,000 with a graduate degree.
- The rising cost of college has outpaced inflation and income growth, widening the gap between the financial aid students receive and the full cost of attendance. **Demos** analysis shows that states have also failed to adequately invest in postsecondary education in recent years, following the recession. The **College Board** reports that over the past three decades, **the average tuition and fees have more than doubled at four-year public higher education institutions**, increasing from \$5,740 to \$11,610 per year for in-state students. The average tuition and fees also increased for public two-year in-district students, from \$2,780 to \$4,050. These costs alone do not account for additional necessary expenses that make postsecondary education possible, such as books, supplies, and living expenses. All of which, as **The Century Foundation** reports, makes "the real price of college" much higher.

**1 in 5** undergraduate students in the United States is a parent, and **74%** of these parenting students are mothers.

- The high cost of college means many students rely on loans to finance their education. [Pew Research Center](#) analysis found that, as result, 1 in 4 adults in the United States has student loan debt. As of June 2025, **42.5 million borrowers collectively owed just over \$1.6 trillion in federal student loans alone**, not including private loan debt, according to the [US Department of Education](#). According to the [American Association of University Women](#), women hold nearly two-thirds of all student loan debt. The [Education Data Initiative](#) finds that women are also more likely than men to take on more debt and to stay in debt longer. [IWPR](#) analysis shows that among all borrowers, Black women hold the highest average student loan debt.

### Pell Grants

The Pell Grant, a financial need-based federal grant program for undergraduate students that does not need to be repaid, is a critical resource for low-income students to attain higher education—particularly for women and students of color. The [Education Data Initiative](#) finds that women college students and Black students are more likely to receive a Pell Grant, and Asian/Pacific Islander students are more likely to receive the largest Pell Grants on average.

- People of color experience the burden of student debt more acutely. Reporting from the [Education Trust](#) and the [ACLU](#) shows that due to systemic racial discrimination, Black families have far less wealth to draw from and are more likely to use student loans to pay for college. According to the [Student Borrower Protection Center](#), **more than 90 percent of Black students take out student loans** compared to 66 percent of White students. While Latina/o students borrow at lower rates, research from [UnidosUS](#) shows that they are more likely to experience repayment struggles. [Congressional Research Service](#) reporting also shows that some groups of borrowers—specifically Black, American Indian and Alaska Native, and lower-income students—make slower progress paying down the original principal amount of their student loan obligations than do other borrowers. According to the [Federal Reserve](#), in 2024, about 20 percent of borrowers reported they were behind on payments or in collection for a student loan—up from 16 percent in 2023—with lower income levels most likely to be behind on payments.

Student debt has major impacts on the economic lives of women and families. Research by the [Pew Research Center](#) shows that households headed by young adults with student debt accumulated wealth more slowly than those without student debt and tend to owe higher levels of other debt as well, including credit card debt. Further, a [Trellis Strategies](#) survey among postsecondary students found that 60 percent of respondents had experienced at least one form of food, housing, or homelessness insecurity—with 9 percent experiencing all three. Rates were even higher among students who attended historically black colleges and universities (HBCUs), with 46 percent experiencing food insecurity, 55 percent reporting housing insecurity, and 20 percent experiencing homelessness, according to a [Temple University](#) study.

- Joint [research](#) by the Urban Institute, IWPR, and Child Trends shows that approximately 1 in 5 undergraduate students in the United States is a parent, and nearly three-quarters of these parenting students are mothers. IWPR [research](#) demonstrates that student parents face unique challenges to academic success and degree attainment, including financial barriers, managing work, school, and family responsibilities, and a lack of institutional support services. Student mothers reported more basic needs insecurity than student fathers. Additional IWPR [analysis](#), for instance, shows that almost three-fourths of Black single mother students said they could not come up with \$2,000 in the next month. IWPR [research](#) also shows that **student parents are more likely to take out educational loans and have greater difficulty—particularly student mothers—paying them off** than students without children.



The OBBB imposes barriers to college access and student loan debt management that threaten the economic security of women, families, and the nation.

## POLICY SOLUTIONS

As long as the OBBB remains current law, it is critical that advocates and Congress remain committed to continued oversight of its implementation to monitor its impact and mitigate harm where possible. **It will be equally crucial to build support for policy solutions that seek to advance economic equity and security for women and student parents—not undermine these goals.** Such data-driven policy solutions include:

- Increasing funding for direct financial assistance to students, including Pell Grants.
- Simplifying financial aid processes to improve access and transparency in the application process.
- Addressing the student loan crisis by providing ongoing relief for existing borrowers.
- Expanding funding and initiatives for students from historically marginalized backgrounds.
- Prioritizing legislation to improve data collection on student parents to better understand this population and their needs.
- Increasing access to basic needs support for postsecondary students, particularly student parents.
- Ensuring that child care is available and accessible to student parents, including on campus.

