

Billionaire Robert F. Smith Will Pay Off the Student Debt of Morehouse College's 2019 Graduates- Who will be next?



At a time when student loan debt is at an historic high-[Americans owed \\$1.5 trillion](#) for higher education according to 2018 Federal Reserve data, more than car loans or credit card debt-and the debate about the cost of a college education has become one of the hot button issues for [the 2020 election](#), billionaire Robert F. Smith has made waves with a more direct method of dealing with the problem, at least for the 396 graduates of Morehouse College.

During his commencement speech for the college's 2019 class on Sunday, Smith shocked those in attendance by announcing that he intended to pay off the student loan debt for this year's graduates from the all-male, historically black college in Atlanta, GA.

“This is my class, 2019,” [he said](#) to the assembled graduates. “And my family is making a grant to eliminate their student loans.” He later added, “Let’s make sure every class has the same opportunity going forward, because we are enough to take care of our own community. We are enough to ensure we have all of the opportunities of the American dream, and we will show it to each other through our actions and through our words and through our deeds.”

The decision was reportedly one Smith had been considering for some time, but he chose to keep his plans quiet, surprising not only the students but the administration as well with his gift. Though it is not yet clear what specific processes will be involved for the students to claim their debt relief or what amount will ultimately be paid off, recent graduating classes have completed their degrees with roughly \$10 million in debt, according to the [New York Times](#).



Photo credit: Marcus Ingram - Getty Images

Considered the wealthiest black man in the United States, Smith founded Vista Equity Partners, a private equity firm that is estimated to manage about \$46 billion in assets. Smith's personal wealth is estimated at around \$5 billion, according to [Forbes](#). The funds have allowed Smith to participate in a variety of philanthropic efforts, including to cultural institutions like the [National Museum of African-American History and Culture](#), as well as in

education: Cornell, from which Smith received his undergraduate degree, renamed its School of Chemical and Biomolecular Engineering after Smith following a [\\$50 million pledge](#) in 2016. Smith had previously [gifted Morehouse College \\$1.5 million](#) early this year to endow scholarships.

Though Morehouse President David A. Thomas called Smith's offer "[a liberation gift](#)," some have criticized large-scale private donations such as Smith's or the one by Home Depot owner Kenneth Langone that tuition to the New York University School of Medicine [free to all students](#). Generous though they may be, these gifts distract from the need for large-scale reforms in the student loan system.