

## A grassroots jubilee: Debt resister Thomas Gokey

May 27, 2015



Photo by Mary Barnett

*Thomas Gokey, who has taught art at Syracuse University and is a former student at Bethel Seminary, was one of the organizers of [Strike Debt](#), part of the debt resistance movement. An affiliated organization, the [Rolling Jubilee](#), bought more than \$17 million worth of student loan debt with \$107,000 in donated funds—and then abolished that debt. The organization has now purchased nearly \$32 million of debt. In February, Strike Debt launched a “debt strike.” Former students of the now-defunct Corinthian Colleges are refusing to pay back their loans on moral grounds.*

### **How did the idea for the Rolling Jubilee develop?**

During the Occupy Wall Street demonstrations in Zuccotti Park in New York, some people recognized that debt is one way that Wall Street occupies our lives; it is a tie that binds the 99 percent. In classic Gandhian-style nonviolent action, you figure out how you are cooperating with injustice, then find creative ways to stop.

As we talked with David Graber, who wrote *Debt: The First Five Thousand Years*, we learned that personal debt is sold on a secondary market at a fraction of the price—pennies on the dollar. We realized that if we got a small sum of money, we could buy debt at bargain prices and abolish it in a jubilee.

## **How did you get started?**

I spent about \$400 of my own money to buy \$14,000 of credit card debt. I started by cold-calling companies that trade debt. As an amateur, I didn't know the right vocabulary to use. Traders quickly lost their tempers with me.

The difficult thing was convincing a debt trader to work with me when I had such a small sum of money. Traders normally sell portfolios of debt with tens of thousands of accounts worth millions of dollars. With some arm twisting, I finally convinced a trader to let me spend \$422.

## **What did you learn from this experience?**

We needed to have relationships with people in the industry. The debt-buying industry is very shady. There are few regulations, and debt buyers regularly scam one another. If you don't know what you are doing, it is likely you will get scammed. If we were going to raise money and use it to buy debt, we needed to be sure we were spending it wisely.

## **What is the main message of the Rolling Jubilee?**

The Rolling Jubilee illuminates the phony morality around debt. When you go into debt to pay for medical bills or your education, you do not realize that that debt is being sold behind closed doors as a commodity for a tiny fraction of what you are paying. The Rolling Jubilee forces people to ask, "What moral obligation do you have to pay this debt?" If you were forced into debt to meet a basic need, what do you owe a debt collector who provided you no services, medical care, or education?

What do we really owe each other? Maybe we owe each other an education. Maybe we owe each other health care. As a society, we have enough wealth to provide those things, but we squander that wealth through these illegitimate exchanges on Wall Street.

## **Why did you stop taking donations for the Rolling Jubilee?**

The Rolling Jubilee is a spotlight to illuminate these questions, but it doesn't solve anything. We decided that we needed to pour the time and energy we've been spending on the Rolling Jubilee into organizing a debtors' union.

My student loans have been bundled into asset-backed securities and sold on the secondary market. If I could identify every one of the students who also has loans in my bundle of asset-backed securities and we took action together, we could sink those investments. Student debt would become worthless and risky to the traders.

### **What are the difficulties of this approach?**

In a traditional union, workers see each other every day on the factory floor. One of the powers debt has is that it isolates us. We have to overcome that isolation. It is tricky. You might have someone who lives in Alaska and someone in Texas, both in debt to Bank of America. How do we get those two people into some kind of organization to resist Bank of America?

### **How did Strike Debt begin?**

We started with 15 students from Corinthian Colleges, a corporation that ran several for-profit colleges. There is a lot of evidence that its business model was to take federal student loans, shuffle them into private investors' hands, and provide substandard education to students.

The strike has now expanded to more than 100 students, and we have the attention of the Department of Education. It has fined Corinthian Colleges for misrepresentation, but we think the Department of Education needs to go further.

The government was a partner in crime. The Department of Education has the authority to discharge this debt. We are building pressure with the debt strike against Corinthian and the Department of Education.

### **What has the strike accomplished?**

The strike is already a success. We've cornered the Department of Education—no matter what it does we will win. If it doesn't discharge this debt, it risks exposing the debt-for-education system for what it is: a giant immoral scam. Once that happens we can make the case that *all* federal student loans are illegitimate and that as long as it's enforcing this fraudulent debt, the Department of Education *is* Corinthian Colleges, Inc. We have a for-profit Department of Education.

### **Aren't you encouraging irresponsibility?**

The exact opposite. We are encouraging hyper-responsibility. As we speak, traders are taking bets on how much I will struggle to pay off my educational debts. The more I struggle, the longer it takes me, and the more interest I pay, the more profitable it will be for these investors.

These are people who never provided me with education. Why should they profit from my choice to get an education, work hard, and pursue a meaningful life?

If you are intelligent and curious and want to get an education, you should not be forced to mortgage your future to get that education. This is a debt we are currently defaulting on because we are not being responsible enough. When somebody gets an education, everybody benefits. Education is a social good, not an individual good.

Medical debt is even clearer: right now in 62 percent of all bankruptcies medical bills are a contributing factor. This is because we are not paying our true debts.

*This article was edited on May 13, 2015, to correct an error in figures. Rolling Jubilee bought more than \$17 million worth of student loan debt for \$107,000, not \$13 million for \$170,000 as appears in the print edition.*