

## Cancelling Big Debts with Small Gifts (Agenda Item #42, 6/11/19)



With a \$10 donation your neighbor will see \$1000 of their medical debt disappear!

Berkeley City Councilors will be donating tonight to help relieve the medical debts of less fortunate East Bay residents. You can as well: ([bit.ly/2GVctgT](http://bit.ly/2GVctgT))

In the US, one person in five owes money for medical services. Medical debt is the biggest cause of bankruptcy in this country. Strike Debt Bay Area (SDBA) is taking action to address the problem of medical debt in the East Bay. Right now, we have the opportunity to eradicate **millions of dollars** in medical debt owed by people in the East Bay. We've already raised enough, \$10K, to eliminate over \$1,000,000. Our immediate goal is \$15K raised. And here's the really good news: we can make even more debt evaporate spending only **\$1** for each **\$100!**

How is that possible?

1. You owe, say, \$10,000 to a hospital, but you can't pay that debt.
2. The hospital sells the debt to a collector at discount; the collector comes after you for the \$\$.
3. You still can't pay. Over time, collecting the debt becomes less and less likely, so the debt becomes less valuable. That first collector sells your debt on to a lower-level debt collector at another discount. The debt is sold and re-sold for less money each time, winding up in the possession of a bottom-feeder collector who pays only pennies on the dollar, perhaps \$75, for the right to collect the \$10,000 you owe. (But since the system is rigged in favor of the debt collectors, you and I can't pay off our *own* debt at those prices.)
4. Enter RIP Medical Debt. (RIP) It's a national nonprofit founded by two former collections-industry professionals. They use charitable donations to buy batches of medical debt at these very low prices—and then *rip it up*. People whose medical debt is relieved get a yellow envelope from RIP in the mail telling them which of their debts has been erased.

It's for real. The first campaign to erase debt, back in 2013, the Rolling Jubilee, canceled \$32,000,000 in debt for just \$700,000! Since that time, RIP has retired almost \$600,000,000 in medical debt nationwide.

SDBA is partnering with RIP, as other local organizations – churches, school groups, nurses, et al - have successfully done (e.g., in Los Angeles, CA and in Ithaca, NY). We raise the money; they purchase and eradicate the debt. For every \$1 you give, your neighbor will see some \$100 in medical debt vanish, along with the harassing phone calls and collection actions.

Donating is easy. Just visit our campaign ([bit.ly/2GVctgT](http://bit.ly/2GVctgT)) and give what you can. Check out our FAQ ([bit.ly/2GG91wb](http://bit.ly/2GG91wb)) for more information. And pass the word to your friends and family.

**Go to [ripmedicaldebt.org](http://ripmedicaldebt.org), scroll down to watch John Oliver tell the RIP story.**

**INQUIRIES: [STRIKE.DEBT.BAY.AREA@GMAIL.COM](mailto:STRIKE.DEBT.BAY.AREA@GMAIL.COM)**

**PLEASE DONATE: [bit.ly/2GVctgT](http://bit.ly/2GVctgT)**