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Joe Biden Plans to Toss Working People Under Educational Debt Express

Ever more so, Democrats have become the party of the rich.

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By any normal standard Uncle Sam should declare bankruptcy. Publicly held federal debt is more than 100 percent of GDP. Unless Congress takes responsible action — gales of laughter should greet anyone who believes that is likely — the debt to GDP ratio could hit 200 percent by mid-century. Of course, long before then the U.S. almost certainly would suffer a financial crisis as investors doubted the viability of federal debt.

Yet proposals for more spending continue to emerge in Washington. Frustrated at their inability to command a congressional majority on behalf of much of anything this year, lefty activists are now concentrating on executive action. And they are pushing the Biden administration to wipe away up to \$1.6 trillion in federal student loans.

The president says he is seriously considering the idea. Which provides a powerful reminder that his candidacy, which presented a “moderate” alternative to the gaggle of lefty ideologues who dominated the 2020 Democratic presidential campaign, was a shameless fraud.

Making trillions of dollars available for ever more people to pay tuition can have only one impact on tuition: push costs upward.

No one, or at least almost no one, voted for decrepit Uncle Joe because they imagined him as a talented, energetic leader prepared to surmount the many serious challenges facing America in the coming years. Rather, the goofy old guy ended up elected president because he appeared to have the bluest collar of the Democratic contenders. Consider who were leading the field. The unpleasant, strident socialist. The faux native American and hard left convert. The obnoxious liberal New York City billionaire. And a bunch of other disappointing, annoying, unimpressive, and/or simply implausible candidates.

In sharp contrast was Joe Biden, around for a half century, sometime advocate of somewhat moderate positions. He was hardly anyone’s first choice — no wonder Hillary Clinton shoved him aside in 2016. Remember his career of embarrassing bloopers, bizarre plagiarism of a British politician, failed attempts to appear serious, and shameless issue flip-flops? Then try saying “President Biden” without laughing.

However, Democrats were desperate in 2020. They had to defeat you-know-who, and who was going to do that? Bill de Blasio? Cory Booker? John Delaney? Kirsten Gillibrand? Tom Steyer? Beto O’Rourke? Marianne Williamson? Eric Swalwell? KAMALA HARRIS? You knew the

traditional party base was trying a Hail Mary political pass when Democratic voters gave Biden victories over home state favorites in primaries in which he didn't bother to actively campaign, such as Massachusetts and Minnesota.

Once elected, alas, he decided to act like Santa Claus. (Heck, maybe he really believed he was Santa Claus!) Yet another budget-busting COVID-relief bill that gave lots of people more money than they had lost. An expensive, expansive "infrastructure bill" that funded a lot more than infrastructure. And a frenzied attempt to push through a \$3.5 trillion — which really would have cost much more — piece of legislation concocted by progressives on psychedelics. Everyone with their hands out, and many without, would be showered with cash.

Then a couple Democratic Senators, most importantly Joe Manchin and Kirsten Sinema, said no. So disappointed lefties looked for an attractive alternative target and conveniently settled on one guaranteed to benefit progressive elites: student loans. Who is most likely to go to college? Who is most likely to go to the Ivies? Who is most likely to go to grad school? It ain't the poor or working class. It's the next generation of ivory tower profs who do nothing of value and teach nothing of interest.

Leading Democrats don't bother trying to defend the ethics of favoring rich liberal elites. The goal is simply to get cash into the hands of "the team" before Congress turns Republican. Senate Majority Leader Chuck Schumer has been lobbying for \$50,000 in relief, and even that isn't enough in his view. After all, his political friends have expensive tastes. Moreover, this vast wealth transfer upwards might win some Democratic votes, though rich lefty college graduates already probably embrace Schumer's corrupt corporatism. The main point is to raid the treasury before there is a GOP congressional majority to say no.

It should be clear that writing off federal educational loans is an expenditure and giveaway as much as writing checks. There ain't no such thing as a free lunch, Milton Friedman reminded us. Writing off federal loans turns them into grants. The deficit expands. Interest payments increase. A complete debt erasure would cost \$1.6 trillion. A \$10,000 per borrower giveaway, the minimum the president appears to be considering, would cost \$245 billion.

The best that can be said for President Biden is that this isn't quite an Elizabeth Warren-style educational boondoggle — free tuition and largescale debt write-off. Moreover, he says that he isn't considering \$50,000. Americans who pay the bills should be thankful for small favors.

However, he turns out to be a champion of class warfare, just not quite as enthusiastic as the Bernie Bros and their fellow travelers. As a candidate Biden proposed canceling \$10,000 per person and urged congressional action. As president he repeatedly extended the COVID-related suspension of student loan repayments. And now he is contemplating a write-off. He recently told the Congressional Hispanic Caucus, which advocates a 10k giveaway, that its members are "going to like what I do."

Too bad he doesn't plan to show similar consideration to taxpayers, working people, and those who pay off their debts. The last hope might be the courts. The Trump administration concluded that the president had no executive authority to write off student debt. Amazingly, so has House Speaker Nancy Pelosi. Last year she said simply: "The president can't do it — so that's not even a discussion." She added that "Not everybody realizes that, but the president can only postpone, delay but not forgive."

The campaign for educational welfare is left-wing special pleading. The argument for state-subsidized primary and secondary education, especially the fabled subjects of reading, writing, and arithmetic, is that it provides substantial social benefits by preparing people for the essentials of life, and participation in community with others. In contrast, the benefits of university education, which is more specialized, are largely captured by those in school.

Even more so graduate and professional degrees, especially at the most expensive institutions. The social utility of sending someone to Harvard Law School or a doctoral sociology program most anywhere is probably impossible to measure. Indeed, when schools provide safe spaces and coloring books to students, the educational value of the experience goes sharply negative.

Thus, student loans should be seen as just another form of subsidy for the entire bloated special interest higher education system. Direct support is substantial, of course, at both the federal and state level. Student loans are another form of college subsidy, just indirect. After all, making trillions of dollars available for ever more people to pay tuition can have only one impact on tuition: push costs upward. And loans merely postpone payment, leaving students worse off as educational expenses spiral upwards. Every increase in federal educational credit should be seen as underwriting university administrators and faculty, not students. *National Review's Michael Brendan Dougherty* was blunt: "All that these colleges do is load five-figure-earning students with debt, which is transformed into six-figure salaries for third-rate professors and administrators."

Moreover, most young people are not college students. Only about one-third go to university. And that's probably too many. The economy depends upon ample people trained in practice rather than theory; such jobs provide fulfillment and deserve respect. However, the social pressure to attend university is strong. Some kids go because they believe they are supposed to, their parents want them to, or their friends expect them to, not because the resulting degree offers much value. Indeed, credentialing inflation has made a university degree a needless requirement for many jobs that mostly depend upon skills which can be taught, and character which cannot. And as more people get baccalaureate degrees, pressure grows to attend graduate school. (The latter now accounts for an astounding 40 percent of educational debt.)

Of those who pursue higher education, many attend community colleges or state schools to hold down costs. Others work while studying to limit borrowing. Some take their financial responsibilities seriously, living frugally and paying down their loan balance. Doing otherwise and loading up with debts is an individual *choice*. The alternatives might not be easy, pleasant, or welcome. However, it is not the taxpayers' job to make them so.

And certainly not for children of the middle and upper classes, who today disproportionately benefit from the educational loan industry. There's the little issue of fairness. When running for office Pete Buttigieg, now Transportation Secretary, observed: "Americans who have a college degree earn more than Americans who don't. As a progressive, I have a hard time getting my head around the idea of a majority who earn less because they didn't go to college subsidizing a minority who earn more because they do."

Overall, only 22 percent of families have student loan debt. Why should everyone else have to pay their way? Even more unfair is forcing those who sacrificed to pay off their student loans to fund a write-off for recent graduates. Nancy Pelosi grasped this simple concept. You might not be happy if "your child just decided they, at this time, [do] not want to go to college, but you're

paying taxes to forgive somebody else's obligations." Her fellow progressives almost went into cardiac arrest on hearing that.

And what about today's students? Why should they pay their debts if those who graduated only a few years before them get a free ride? Ironically, current borrowers, many of whom benefited from excessively generous COVID payments, have an easier time repaying their debts than will future borrowers, who likely will face higher interest rates as the markets increasingly doubt Uncle Sam's ability to repay his debts. Indeed, this problem will be exacerbated if the presumption becomes that student loans, and perhaps other federal loans and guarantees, are merely a temporary way station to a future write-off.

Of course, Biden, and those around him, who might be effectively making the decision, likely care little about the merits of the issue. And they probably assume a big political lift from a write-off. However, they might be surprised at the potential breadth and depth of antagonism toward a write-off for the lucky, privileged few. Such a step would brand the Democrats as the party of the rich. And good ole "Blue Collar Joe" as just another prosperous progressive elitist looking after his own. The impact on the vote in November might not look so good after all.

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