

Forbes

Higher Education and the Coming Election

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Watching President Barack Obama give his overly long (despite promises to the contrary) State of the Union address was marginally less interesting than watching bread rise at a bakery and also only marginally less painful than having a hemorrhoid operation without an anesthetic from an unlicensed physician just returned from a wine-laden lunch. Applause was less frequent and more tepid than usual, with one exception. There was enthusiastic applause when Obama said we must do something about the high cost of college.

The public is genuinely irritated with high college costs and reports of former students having trouble coping with large debt loads. On the Democratic side, both Hilary Clinton and Bernie Sanders have made a fairly big deal of promoting their “solutions” to the problem, which goes even further than Obama’s proposed “free community college for all” idea that he introduced a year ago and that has gone absolutely nowhere in Congress. We will lower the private cost of college by increasing the portion of college costs paid for by governments (which, of course, merely transfers costs from college attendees to taxpayers).

On the Republican side, there has largely been silence, with one conspicuous exception, Marco Rubio. Senator Rubio has said a whole variety of interesting things, including a limited endorsement of an alternative financing concept, Income Share Agreements (where private investors pay for at least part of college costs, but where the student after graduation turns over a portion of income to the investor). He has spoken a good deal about issues of inefficiency in colleges. He believes, correctly in my judgment, that college costs are a pretty important issue with the general public: less so, to be sure, than, say the threat of Islamic terrorists or nuclear attacks from rogue nations run by lunatics, and probably less so than the general sluggishness of the economy that I believe are largely caused by the high taxes and regulation that Obama and his friends have foisted on us. But I would bet that high college costs is at least as big a concern as, say, global warming or gun control, amongst the bulk of the American electorate.

There are two approaches to public education policy. The Clinton-Sanders approach is “college is too expensive, so the government needs to subsidize it more by covering costs now financed

through tuition charges and, indirectly, through student loans.” This involves also expanding federal student aid, doing more loan forgiveness, et cetera.

The more free market approach that should be favored by Republicans, not just Sen. Rubio, is “government is more the problem than the solution, and we need to fix the broke system of federal student financial assistance and move to offering alternative forms of training instead of traditional higher education for those wanting it. We need to reduce if not eliminate the role of the U.S. Department of Education and reform the accreditation cartel that stifles innovation. We need to end the war being waged against legitimate for-profit providers of educational services.” Practically, this means such concrete things as restricting federal student aid eligibility, requiring schools to have some “skin in the game” regarding loan defaults, and moving to alternatives to funding college through federal lending and grants. The Republicans should make the point that several scholars (including me) have been making more years: federal student financial assistance is one of the culprits in making college less affordable, and the aid has enabled tuition increases that have provided income to colleges that, in turn, have led to bloated academic bureaucracies and deteriorating academic standards.

My suggestion is that the Democratic Party should consult with the “College for All” advocates, perhaps having persons like Sandy Baum (George Washington U.), Sara Goldrick-Rab (U. of Wisconsin), Kevin Carey (New America Foundation), and someone from the Lumina Foundation draft the higher education portion of their platform. The Republicans should call on free market types who know something about higher education, people like myself, Neal McCluskey (Cato Institute), Lindsay Burke (Heritage Foundation), George Leef (Pope Center), and Andrew Kelly (American Enterprise Institute). Maybe – just maybe – we can get a little attention turned to the failures of modern higher education in America, and alternative visions as to how to deal with them.

I currently assign a 35 percent probability that the Republicans will control all of the federal government next year, a 10 percent probability that the Democrats will have full control, but a 55 percent probability that we will continue to have divided government. Under the latter scenario, possibly some compromise bipartisan proposals could lead to at least marginal improvements in a system that nearly everyone agrees is badly flawed. But it is time we seriously reassess public policy regarding American higher education.