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## **Jacques: Failed college savings grab fits Obama agenda**

By Ingrid Jacques

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President Barack Obama thinks he can spend your money better than you. He doesn't try to hide it.

But his recent scheme to take a whack at the tax benefits of popular college savings accounts was such a bad idea that even far-left House Minority Leader Nancy Pelosi of California said she didn't want anything to do with it.

The outrage from politicians, not to mention the millions of families who enjoy these accounts, forced the president to back down this week.

Although the measure is off the table for now, it's still a compelling example of what Obama is willing to do to force his wealth transfer agenda.

The 529 college savings plans are attractive to families in that they offer tax-free accounts to parents or other relatives who want to start putting money aside for future college expenses.

Yet the president holds distaste for these smart investments because he thinks the Americans who benefit are too wealthy, even though evidence shows most of the account holders are far from rich.

As House Speaker John Boehner said earlier this week, "529 plans help middle-class families save for college."

While the plans, like many other investment options, do benefit successful families, it's inaccurate to say the middle class isn't using them. The College Savings Foundation reported that in 2014 at least 70 percent of 529 plans were owned by households with incomes below \$150,000. About 10 percent have incomes below \$50,000.

Obama is eager to put his "bold new plan" of free community college in place. Got to pay for that somehow, so why not strip the benefits of the 529s? Had he stuck to his agenda, the money

drained from the parent-run 529 accounts likely would have gone to fund an expanded version of the government-controlled American Opportunity Tax Credit — a credit and refund program directed to lower-income families — as well as to his free community college proposal.

It is a form of income redistribution, says Neal McCluskey, associate director of the Cato Institute's Center for Educational Freedom. But, "it's portrayed as better targeting aid toward low-income people."

Given the president's focus on getting more young people into college, it's ironic that he would go after one of the best tools families have to prepare for the growing expense of higher education. Yet the president is convinced he's better suited to dole out taxpayer-funded tuition handouts.

The federal government is already deeply entrenched in the college financial aid business. Now that the government has control of issuing and servicing federal student loans, taxpayers must cover for students when they default. And the federal government spends at least \$50 billion a year on Pell Grants and other aid.

"The administration's policies are creating disincentives for those who save for college while advancing policies in which the federal government directs college spending, lending and handouts," writes Lindsey Burke, education policy expert at the Heritage Foundation.

The government can't afford Obama's college proposal. In fact, it needs more parents to take advantage of 529 plans.