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Elizabeth Warren's Higher Education Plan: Cancel Student Debt and Eliminate Tuition

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Senator Elizabeth Warren of Massachusetts, who has structured her presidential campaign around a steady unveiling of disruptive policy ideas, on Monday proposed her biggest one yet: a \$1.25 trillion plan to reshape higher education by canceling most student loan debt and eliminating tuition at every public college.

Ms. Warren's sweeping plan has several planks. She would pay for it with revenue generated by her proposed increase in taxes for America's most wealthy families and corporations, which the campaign estimates to be \$2.75 trillion over 10 years. In addition to eliminating undergraduate tuition at public colleges and universities, she would expand federal grants to help students with nontuition expenses and create a \$50 billion fund to support historically black colleges and universities.

She would eliminate up to \$50,000 in student loan debt for every person with a household income of less than \$100,000; borrowers who make between \$100,000 and \$250,000 would have a portion of their debt forgiven.

"This touches people's lives," Ms. Warren said in an interview. "This is a chance to talk about what's broken and how we fix it. This is the American dream."

Ms. Warren has already offered proposals to provide universal child care and expand affordable housing, paid for by her new taxes on the wealthy. She has called for the elimination of the Electoral College, and promised to expand the role of the federal government in reining in unfettered capitalism, with separate proposals on breaking up technological giants such as Amazon and Facebook, new regulations aimed at protecting public lands, and reversing consolidation in the agriculture sector.

The furious pace of the announcements is partly intended to help Ms. Warren stand out in the Democratic field, which features more than a dozen candidates unique in ideology and identity. She is also hoping to create a progressive legacy that goes beyond electoral politics, pushing the Democratic Party to the left during a pivotal moment.

A Warren aide familiar with her higher education proposal, noting that the vast majority of student loan debt is held by the federal government, said the government would simply cancel the eligible debt on its books. Doing so would affect more than 42 million Americans and eliminate all student loan debt for more than 75 percent of borrowers.

For debt held by private companies, the government would "work with the borrower and the owner of the debt" with the goal of elimination, Ms. Warren said in a Medium post.

“The enormous student debt burden weighing down our economy isn’t the result of laziness or irresponsibility,” Ms. Warren wrote. “It’s the result of a government that has consistently put the interests of the wealthy and well-connected over the interests of working families.”

As student loan debt continues to rise, the issue has forced itself into the Democratic presidential primary, with several candidates promising to expand access to federal grants or eliminate tuition at public or community colleges. Senator Bernie Sanders of Vermont was credited with thrusting the issue of free college onto the national stage during his 2016 presidential run, but Ms. Warren has pushed the idea further, calling for the government to cancel debt in addition to expanding college affordability.

In statements provided by the campaign Monday, scholars and education advocates said Ms. Warren’s policy would improve the financial futures of a debt-burdened generation of young people, and help reduce the racial wealth gap between white people and racial minorities, who have been disproportionately burdened by student loans.

“Going to college shouldn’t result in a lifetime sentence of student debt, but that is exactly what is happening and it’s only getting worse,” said Randi Weingarten, president of the American Federation of Teachers, the powerful union whose endorsement is often essential for Democrats. “Senator Warren’s plan would release Americans from their debt sentence so they can live their lives, care for their families and have a fair shot at the American dream.”

Ms. Warren’s policy would also prohibit colleges from considering citizenship status and criminal history in admission decisions, cut off federal money from for-profit colleges, and require an “annual equity audit” for public colleges that would identify “shortfalls in enrollment and completion rates for lower-income students and students of color.”

The idea has been dismissed by some more moderate candidates seeking the Democratic nomination for president, like Senator Amy Klobuchar of Minnesota and Mayor Pete Buttigieg of South Bend, Ind.

“Americans who have a college degree earn more than Americans who don’t,” Mr. Buttigieg said while addressing college students in Boston. “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 did.”

Education experts from conservative and libertarian think tanks seemed to echo that idea in criticizing Ms. Warren’s proposal.

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Beth Akers, a senior fellow at the Manhattan Institute, said that many on the left seem “insistent on the notion” that people with college degrees need “a bailout.”

“It’s hard for me to stomach the idea of billing the masses — about two thirds of whom don’t benefit from the earnings power afforded by a college degree — so that college graduates can enjoy the fruits of their education without the hindrance of having to pay for it,” she said Monday.

Neal P. McCluskey, the director of the Center for Educational Freedom at the Cato Institute, agreed, saying that people who go to college often do so at least in part because they hope to increase their earning potential.

“It is unfair that they should not have to repay the taxpayers who had no choice but to give them that money, on the terms the borrowers voluntarily agreed to,” he said.

While Ms. Warren’s proposals have made her popular among left-leaning intellectuals, it remains to be seen if that will translate into support from the broader Democratic electorate. She languished in early fund-raising after pledging to sustain her presidential run through grass-roots donations instead of the high-dollar fund-raisers that many of her Democratic rivals have enjoyed.

She has sought to break out through a strategy of endurance, traveling to states atypical for campaigning this early in the primary process, including Mississippi, Tennessee, Utah and Colorado, and through her near-constant stream of detailed proposals.

When asked recently if she could keep up the frenzied pace of policy announcements, Ms. Warren laughed.

“I love this,” she responded.