

THE ORANGE COUNTY  
**REGISTER**

## **Just say ‘nah’ to student loan forgiveness**

Sal Rodriguez

May 2, 2022

There are a lot of things for the president of the United States to focus on.

Entertaining student loan forgiveness shouldn't be one of them.

“I'm not considering \$50,000 in debt reduction,” President Biden said Thursday amid an ongoing push by progressives to pressure him to use executive authority to magically erase student loan debts. “But I am in the process of taking a hard look at whether or not there will be additional debt forgiveness.”

His remarks came a day after Senate Majority Leader Chuck Schumer, D-New York, called on the president to do more.

“Borrowers don't just need their debts paused; they need them erased,” Schumer said. “With the flick of a pen, President Biden could provide millions upon millions of student loan borrowers a new lease on life.”

If this all sounds familiar, that's because it is. These calls have been going on ever since Biden became president.

Last July, House Speaker Nancy Pelosi shut down the idea that Biden even had the authority to unilaterally forgive student loan debt.

“People think that the president of the United States has the power for debt forgiveness. He does not,” she said. “He can postpone. He can delay. But he does not have that power. That has to be an act of Congress.”

It also brings to mind what then-President-elect Joe Biden said back in 2020 to progressive groups urging him to use executive authority to get things done.

“I am not going to violate the Constitution. Executive authority that my progressive friends talk about is way beyond the bounds,” he said at the time.

That all sounds right to me. If student loan forgiveness is so important, Congress should pass legislation to make it happen, not rely on further extending the power of the president.

But all of this talk is kind of silly, because as I noted up top, there are far more pressing matters for national leaders to focus on than bailing out a population of people who, on balance, are far likelier to be better off than the average American.

As Peter Suderman of Reason magazine notes, “people with college degrees are more likely to both be employed and, on average, are better paid than those who never attended college. People who attend college are also more likely to come from comparatively affluent households in the first place.”

On top of that, according to Brookings Institution Senior Fellow Adam Looney, “The five degrees responsible for the most student debt are: MBA, JD, BA in business, BS in nursing, and MD. That’s one reason why the top 20 percent of earners owe 35 percent of the debt, and why most debt is owed by well-educated individuals.”

And, according to the Bureau of Labor Statistics, people with a bachelor’s degree earn 67% more than those with only a high school diploma.

Talk of student loan forgiveness is fundamentally just talk of helping people who on average shouldn’t or don’t really need help.

Like many Americans, I graduated college with student loan debt, roughly \$25,000 or so. It was annoying, like all debts are, but I paid it off in five years.

I was able to do it fairly easily, not because I come from money (I don’t) or because I made a lot of money out of college (the print newspaper business in the 21st century isn’t exactly where the money is), but because I made it a priority to be debt free and arranged my expenses accordingly. I didn’t buy an expensive car, I spent within my means and I pursued multiple streams of income.

Maybe it’s because I had a relatively pain-free experience with student loan debt that I’m also just not personally moved to care about student loan debt as an issue, but the aforementioned facts all speak for themselves.

On some level, I can understand why people with student loans want their debts forgiven. After all, the federal government throws around trillions of dollars all the time these days. If the government could spend several trillion on disastrous wars over the last two decades, why not throw another couple trillion toward student loan debt?

But besides the aforementioned fact that the beneficiaries are, on average, better off than the general population, waving away student loan debt does nothing to get to the root of the problem, which is the spiraling cost of a college education.

Unless that’s dealt with, we’ll be right back here with another set of the population complaining about student loan debt and asking for loan forgiveness.

Figuring out how to get the costs of college under control is much more complicated. Figuring how to steer students into fields where the benefits are even more likely to outweigh the harms of debt is another matter. And there’s disentangling credentialism and educational inflation. Is the problem federal student aid? The Cato Institute’s Neal McCluskey testified in 2016 that such aid “artificially puts a thumb on the scale to consume higher education.”

Perhaps that’s true. If it’s easy to get a student loan, why not go? And if you’re running a college or university, why not inflate the cost of your services, since students will be getting subsidized loans anyway?

Perhaps young people, if they are to go to college, should be steered toward more potentially lucrative fields of study. How many sociology majors are really in demand?

And with the rise of remote learning, that should make it cheaper to get a degree from a legitimate institution, right?

None of this benefits people already stuck with student loan debt, obviously.

For most of them, in the long run, they'll be fine. If they aren't already, they'll be among the wealthiest Americans in the country and by extension some of the wealthiest people on the planet.

For those who got suckered into getting into six-figure debt for a useless art history degree from a private university, I can imagine how much that sucks. But they also made their choices. They made the wrong bet. In a nation with homelessness, with deeply impoverished people, with people with all sorts of debt — especially the nightmare of medical debt — is \$2 trillion best spent bailing out wealthy people and French majors who got lit and took seven years to complete their degree with six-figure debts — or tackling actual problems?

I think we know the answer.