

# THE CHRONICLE OF HIGHER EDUCATION

## Warren's Free-College Plan Would Cancel Student Debt for Millions

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April 22, 2019

Sen. Elizabeth A. Warren, a Massachusetts Democrat running for president, issued a \$1.25-trillion plan on Monday that would cancel most student-loan debt and make every public college free.

The plan, unveiled in a [blog post](#), would cancel up to \$50,000 each in student-loan debt for 42 million Americans, wiping it out entirely for three-quarters of those borrowers.

It would also allow any American to attend a two- or four-year public college “without paying a dime in tuition or fees,” Warren’s post said.

The senator dismissed as “nonsense” complaints that her plan, which would cost an estimated \$1.25 trillion over 10 years, was unaffordable. The cost would be more than covered, she wrote, by what she called an “ultra-millionaire tax,” a 2-percent annual tax on the 75,000 families in the United States worth at least \$50 million.

The plan, which was welcomed by supporters as a bold move to eliminate crushing debts holding many families back, was criticized by others as a waste of money that subsidizes people who can afford to pay for college.

Warren said her plan would help reduce inequities of wealth between white and minority families. It would do that, in part, by canceling at least a portion of the debt of more than 95 percent of the nearly 45 million Americans who owe money on student loans, she said.

Warren added that her plan would stimulate economic growth and allow more people to buy homes and start small businesses. “Once we’ve cleared out the debt that’s holding down an entire generation of Americans,” she wrote, “we must ensure that we never have another student debt crisis again.”

The debt burden, Warren wrote, is a result of the government’s consistently putting the interests of wealthy people ahead of those of working families.

“Policy makers stood by as state after state pulled back on investments in public higher education and sent tuition soaring,” she wrote. “They stood by as for-profit colleges exploded, luring in students with false promises and loading them up with debt as their executives and investors raked in billions in taxpayer dollars. They stood by as employers demanded higher credentials while offloading the cost of getting those credentials onto workers.”

At a time when American families have more than \$1.5 trillion in student-loan debt, the movement for some form of free college, which was pushed into the background after President Trump was elected, is once again picking up steam.

Democratic candidates have been staking out proposals; some would limit free tuition to two-year colleges or impose income limitations, while others would cover living expenses as well as tuition and fees.

Meanwhile, two other Democrats — Sen. Brian Schatz of Hawaii and Rep. Mark Pocan of Wisconsin — have introduced the Debt-Free College Act. It would provide federal matching funds to states that help students pay the full cost of attending a two-year or four-year college.

Warren’s proposal drew mixed reviews on social media.

Mark Huelsman, a senior policy analyst at Demos, a left-leaning think tank, tweeted that Warren’s proposal would help ensure that the nontuition costs that create the biggest barriers for low-income students would be covered.

Donald E. Heller, provost at the University of San Francisco, criticized the plan on Twitter: “One of the worst #HigherEd financing proposals ever — millions of people would enjoy a huge consumer surplus they don’t need or deserve. Hopefully the other Dem candidates will do better.”

It would make more sense, Heller said in an interview on Monday, to use existing mechanisms like Pell Grants, which are based on financial need, to expand support for students. “But to sit here and allow the children of rich kids to go to the University of Michigan or the University of Virginia for free is absolutely ridiculous,” he said.

Warren’s plan would call for an additional \$100 billion in Pell Grants over the next 10 years, and expanded eligibility for receiving the money.

Asked about the impact that Warren’s plan could have on private institutions like his, Heller said it could force some of them to close. Meanwhile, flooding public colleges that already have low graduation rates with more students could make it even harder for those institutions to graduate students on time, he argued.

### Income-Based Proposal

Sara Goldrick-Rab, a professor of higher-education policy and sociology at Temple University who has long championed free college, said it was wrong to consider tuition breaks to wealthier students as giveaways. They’re simply a political necessity, she wrote in an email.

“A former community-college student struggling with \$5,000 in debt while raising two kids will get a smaller amount of debt forgiven under this program than a former Penn student now employed who might have \$50,000 paid off,” she wrote, “but make no mistake about it, it will change the life of that former CC student and her kids, and not change the life of the Penn student nearly as much.

“But we won’t be able to get the former CC student loan forgiveness (or free tuition) without helping her wealthier counterparts,” she wrote.

Tiffany Jones, director of higher-education policy at the Education Trust, said that while the price tag on the Warren proposal is steep, “I don’t think you can touch issues of affordability and student success on the cheap, which is what a lot of people have tried to do.”

The plan would cancel \$50,000 in student-loan debt for those with household incomes under \$100,000. The amount canceled would be reduced by \$1 for every \$3 in income above \$100,000. So, for example, someone earning \$130,000 would get \$40,000 in debt cancellation, while a person with a household income of \$160,000 would have \$30,000 canceled. No debt would be canceled for those earning more than \$250,000.

Jones said that she appreciated Warren’s attempt to do the most for students who need it most, but that she would like to see a broader consideration of a family’s financial position. That’s necessary, she said, to adequately address the wealth gap between white students and students of color.

Warren’s plan also calls for barring for-profit colleges from receiving any federal money, including military benefits and federal student loans, “after an appropriate transition period.” She accused those colleges of using taxpayer money “to enrich themselves while targeting lower-income students, service members, and students of color, and leaving them saddled with debt.”

Steve Gunderson, president of Career Education Colleges and Universities, which represents for-profit colleges, blasted the proposal in an email on Monday.

“Senator Warren has finally disclosed her true endgame,” he wrote. “She, like too many voices in the public sector today, are so opposed to the very existence of small family businesses that she now proposes to eliminate the very sector that was created to provide midlevel career skills education and continues to do so today.”

Warren’s plan would also create a fund of at least \$50 billion for historically black colleges and universities and other minority-serving institutions. And it would provide extra federal money to states that demonstrate substantial improvement in enrollment and graduation rates for lower-income students and students of color.

Neal McCluskey, director of the Center for Educational Freedom at the Cato Institute, a conservative think tank, dismissed the proposal as a “massive waste” of money.

“People go to college, and often take on loans to do so, at least in part to greatly increase their lifetime earnings,” he wrote in an email. “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.”

Ending tuition and fees at public colleges, he argued, would force taxpayers “to fund the private gain of students, especially students from more well-to-do families, who tend disproportionately to go to college.”

Beth Akers, a senior fellow at the Manhattan Institute, a conservative think tank, also criticized Warren's proposal. "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 wrote in an email.

Pete Boyle, a spokesman for the National Association of Independent Colleges and Universities, said private colleges weren't the only ones that could suffer under Warren's proposal. State colleges in New England and other regions that rely on out-of-staters would lose those students if they could stay in their home states and attend college free, he said.

Mildred Garcia, president of the American Association of State Colleges and Universities, called the proposal a "bold, far-reaching effort to make college more affordable," but added that the association would "need to carefully examine the implications of such a plan."

*Correction (4/23/2019, 9:21 a.m.):* An earlier version of this article misidentified the association in the final paragraph. The leader quoted is president of the American Association of State Colleges and Universities, not the American Association of Colleges and Universities. The article has been updated to reflect that, and to add her name.