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The only reality that matters to Obama is political

By Neal McCluskey

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Watch President Obama rail about the rich and brandish his Buffett Rule and it's hard not to see class warfare.

Look at the spending the president proclaims is most important, however especially on education and you might conclude that he isn't prosecuting a class war. He's just giving up on reality.

First of all, it's tough to argue that the wealthy don't pay their fair share in taxes.

According to the Tax Foundation, the oft-maligned 1 percent earn 17 percent of the nation's adjusted gross income, yet pay 37 percent of federal taxes. The top 5 percent garner 32 percent of all income, yet furnish 59 percent of taxes.

The rich are paying more than their fair share.

Another tough argument is that the spending priorities the president is determined to protect are really so critical at all. In the business world, few would pass an honest cost-benefit analysis. A perfect case in point is education.

As Mr. Obama insisted in a speech at Florida Atlantic University recently, it is investments . . . in things like education and research and health care . . . that lead to strong and durable economic growth.

Here's where one wonders whether the president is a class warrior, or someone who's just given up on grappling with reality. As reflexively good as investing in education sounds, the overwhelming evidence shows that federal education spending is a colossal waste.

Begin with Head Start, the federal government's signature, \$8.1 billion pre-kindergarten program. According to the most recent federal assessment, it's an investment black hole, producing no lasting gains.

Then there's elementary and secondary education, which has seen inflation-adjusted federal largess leap from \$33 billion in 1970 to \$115 billion in 2010. Meanwhile, scores for 17-year-olds on the National Assessment of Educational Progress the so-called nation's report card have been wearing cement shoes, climbing not at all.

Finally there's higher education, where surely more federal dough is needed. After all,

prices are hurtling toward the moon and no can be expected to pay without help.

The problem is, federal investment has been a leading cause of, not cure for, rampant inflation.

Schools simply couldn't keep raising prices if students couldn't pay them, but for decades Washington has ensured that they could pay ever more.

Between 1970 and 2010, according to the College Board, inflation-adjusted federal aid took off right along with college prices, launching from \$18 billion in 1970 to \$169 billion in 2010.

Of course, enrollment increased markedly in that time. But that's largely been bad news, with lots of people lacking either the ability or desire to do college work enrolling, taking on debt, but never finishing.

According to the latest federal figures, 43 percent of first-time, full-time college students in four-year programs don't graduate within six years, and most of those will never finish. Worse, 72 percent of students in two-year programs don't complete within three years. Add to that the one-third of bachelor's holders who are in jobs that don't require the degree, and massive over-consumption not underinvestment is clearly our biggest college problem.

Given the horrendous federal education track record not to mention the nearly \$16 trillion national debt there's no reasonable way to conclude that yet more federal outlays are needed.

But let's be fair: President Obama almost certainly knows that. He's a smart guy, and this information is pretty easy to find.

The fact is, the president is being very realistic about this politically realistic.

Throw all the tax and education reality you want at him, as long as voters believe the rich are getting away with taxation murder, or that more money for education necessarily means better education, the president would be politically crazy not to do what he's doing.

Polling suggests he's on target. A recent survey of swing-state voters commissioned by the College Board found that 67 percent think that education is extremely important, placing it just behind jobs and the economy and government spending. Most also feel education needs greater funding, including student aid. And it doesn't hurt that focusing on aid carries favor with both Occupy Wall Street types and middle-class voters staring down tuition bills.

So is the president engaging in class warfare? Seems so. Is he ignoring the waste of federal education policy? Absolutely. Has he given up on reality? No way it's just that it's political reality that matters.

NOTES: Neal McCluskey is associate director of the libertarian **Cato Institute's** Center for Educational Freedom and author of the study *How Much Ivory Does This Tower Need? What We Spend on, and Get from, Higher Education*. Neal McCluskey is associate director of the libertarian **Cato Institute's** Center for Educational Freedom

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