



Let Perkins Die

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There are a lot of federal student aid programs – grants, work study, tax-favored savings vehicles, several direct federal loans – and one of the smaller of these is the Perkins loan program. But just because you are small, or even if you are skewed toward wealthier, private institutions, does not mean higher education lobbyists want you to go away. No, all money is good money if spent on “education”!

Of course, all money is *not* good money. As anyone who reads this blog even semi-regularly can probably recite in his sleep, federal aid (and other third-party funding) fuels rampant college price inflation, abets huge noncompletion, subsidizes lots of partying and not so much studying, and inflates wasteful credentialism. What we need is much less third-party money in higher education, because it is *bad*. So we should get rid of Perkins. Or perhaps more accurately, let it die, as it was supposed to expire last year and, barring congressional action, will end its statutorily awarded year on life support at the end of September.

Some people will object that Perkins is relatively small and hence ending it won't make much difference in ameliorating the numerous ills we all know so well. Coming in at a “mere” \$1 billion in federal money, that's true. It's also true that Perkins dough – which institutions control – is basically recirculated without new federal infusions, though federal taxpayers eat loans that are cancelled when borrowers become teachers, firefighters, or other public employees. And Perkins' private-school skew may even be slightly beneficial; while Stanford and Harvard (the #3 and #10 Perkins disbursers in 2013-14) have plenty of money, private colleges overall are at big disadvantages competing with heavily subsidized public universities.

That said, Perkins should be let go in part precisely because it is small, presumably making it politically easier to kill because the overall pain would be much lower than eliminating other programs. And, of course, there are the upsides: the \$1 billion that would be returned to Washington could be used to, say, help pay down the nation's \$18 trillion debt, while helping hyper-obese higher education trim down, even if just a centimeter or two.

Letting Perkins die would certainly be a small step, but it would be one in the right direction. And we've got to start somewhere.

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