



What Will Republicans Do about Higher Ed's Big Problem?

By Neal McCluskey
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As I write this, American punditry is still trying to figure out what the Republican “wave” – if they even agree it was a wave – means for federal policymaking over the next couple of years. I won't get into the wave question, but am happy to venture a guess as to what the election will mean for federal higher education policy: not nearly enough.

As I [regularly opine](#) – and the [evidence](#) makes abundantly clear – by far the biggest problem in American higher education is massive subsidization, and at the federal level that primarily means subsidizing students. The only way to solve the problem, and help all those Americans trapped in the vicious cycle of subsidies driving [credential inflation](#), necessitating acquisition of hollow but expensive degrees just to keep up, is to reduce – and ultimately eliminate – taxpayer-funded aid. Unfortunately, I've seen little evidence Republicans have the stomach to do this. Most optimistically, maybe we'll see some effort to make changes at the margins – tweak PLUS loans or tax credits that are skewed toward higher-income people – but I've seen nothing that encourages me to think Republicans will make the straightforward case that aid self-defeatingly fuels rampant tuition inflation and quashes consumer demand for efficient education. That likely means congressional Republicans will mainly ignore the [\\$170 billion elephant](#) in the Ivory Tower.

On the bright side, having a Republican Senate majority will shrink a bit the bully pulpit that people like Sen. Tom Harkin (D-IA) and Sen. Elizabeth Warren (D-MA) have used to wage rhetorical war against for-profit colleges, and to propose that taxpayers [soften student debts](#). And it is also possible there will be efforts to gut the new Gainful Employment rules that are [unfairly and illogically targeted](#) at just one higher education sector: for-profit schools.

Of course, I am not the only person with opinions on this, and you can catch several others in an [event on the changing Ivory Tower and federal policy](#) that Cato hosted the day after the election. But no matter what people say, on one thing the evidence speaks for itself: the “aid” must go.

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