



The Daily Dish

Student “Loans”

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The Biden Administration wiped off the books loans to students of the Corinthian Colleges chain, and continues to tease an executive action to forgive \$10,000 or more of student “loans” per borrower. One more time, let’s make the Eakinomics position clear: Student “loan” forgiveness is a solution in search of a problem and absolutely indefensible on the merits.

It is not fair. It is manifestly unfair treatment of those who paid their student “loans.” It is manifestly unfair to the taxpayers who will now foot this bill. It is unfair to others who have borrowed from the federal government (e.g., small businesses) and are forced to actually repay. And the bigger the amount of forgiveness, the more unfair it is within the population of borrowers, as the most affluent have the larger student “loan” balances. For an administration that bleeds “equity” concerns, this is a rich moment.

It does not help education outcomes. Forgiveness will not send another student to college, change the choice of a major, or improve outcomes in any way. It is a waste of billions of dollars of federal education policy funds that would be better spent on Pell Grants or some other initiative. As a bonus, with a straight face the administration will shortly announce the need for all sorts of new education funding.