

# Forgiving Student Debt

*by*

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During the past several elections and more recently on campaign trails, Democrat candidates have been espousing free college tuition and student debt forgiveness. Additionally these same people are pushing to provide free education to migrant children and illegal migrants in the US.

While these campaign promises may appear to be altruistic, these charlatans are like the vagabond medicine salesman of the wild-west, who attempt to sell snake oil to an ignorant public and defraud them of their hard earned money.

The Oxford English Dictionary defines snake oil as "a quack remedy or panacea." These fraudulent promises are offered as a remedy or panacea to those paying for a college education and to illegal migrants wanting a free handout.

The Democrats hope that their promises will ring true with an ignorant public which lacks understanding of the cost and impact of so-called free education. Below we will examine these promises and discuss some ramifications surrounding each of them. However, before we start our examination we must accept the following facts:

- **Face-to-face education** requires a physical learning environment. Such learning environments include buildings, classrooms, laboratories, associated furniture and equipment, and the required maintenance to insure that learning takes place.
- **Distance learning** is a method of education that is received by a learner at another geographical location. It may involve using the Internet, other electronic devices such as television, video recordings, telephone, etc. This delivery form of learning involves study guides, textbooks, assignments, and other study materials. While physical classrooms may not be involved, buildings, offices, information technology, and the maintenance required for physical and electronic environments are required.
- **Personnel.** It does not matter whether you are doing face-to-face or distance learning, personnel are needed. At an extremely bare minimum, teachers are needed. However if courses are to have recognition, credit, or considered part of some program, administration personnel will be needed as well. This group

includes institution managers, program managers, assistants, and support personnel. All of these people require salaries, insurance, and other benefits.

To briefly summarize the presentation of education along with its requisite supporting personnel cost money. The only means by which anyone can receive a free education is through either foundations supporting such processes or taxation such as the current public school taxation programs that everyone pays into. In essence while it may appear to be free, sooner or later the recipient will be paying for someone else's "free education."

Free education may sound philanthropic, in reality though, it is anything but free!

### **Student Debt Forgiveness**

This Democrat mantra is nothing more than an attempt to garner more votes. The reported 1.6+ trillion dollars in student debt sound like a large number until that number is broken down. On an individual basis student debt averages \$35k per student. Of this amount, about 14% is created by the student taking out loans.

The composition of student debt is not known. Most people probably believe that it is the cost of tuition, books and supplies. In reality the cost includes all types of expenses while a student is at college, such as, transportation expenses, communication expenses, credit cards, insurance, personal expenses, apartment living, food, entertainment, etc.

The choice of college that the student attends also plays into the cost of student debt. According to collegeboard.org the average tuition and fees by college type are:

Public Two-Year College (in-district students)	\$3,440
Public Two-Year College (in-district students)	\$3,440
Public Four-Year College (in-state students)	\$9,410
Public Four-Year College (out-of-state students)	\$23,890
Private Four-Year College	\$32,410

Many students and parents do not feel that attending the local community college is cool. Also many parents want their children to attend the same or better college than they had attended.

Another factor impacting student debt is the lack of knowing what program the student really wants to pursue. Students will change programs of study as often as 3-5 times during their college career.

Playing into this lack of focusing on a selected program of study is the inability of “college age” students to manage their money. Mom and Dad may require them to get a job or somehow pay for the video games, phone, car, credit card, etc. but this is not sufficient money management training as they are not involved in day-to-day expenses such as food and housing.

It should be noted that any financial debt that students or parents have acquired in the pursuit of an education, that the money has been spent by the time graduation comes around. If the loans were federally based, as many are, it is the taxpayers who are providing the money for these loans.

The Bible discusses the lending and borrowing of money. Deuteronomy deals with both of these aspects regarding money. Chapter 23, verses 19-20 discuss the aspect of charging interest. The verses essentially state that interest should not be charged to your brothers but may be charged to foreigners. At the same time, Luke 6:34 states that if you lend money, you should get the same amount back. Deuteronomy 15:1-7 discusses cancelling debt at the end of every seven years, however there are some caveats in these verses.

While the Bible does not forbid borrowing money, it does not encourage it either. There are more than 75 verses in the Bible that address lending and borrowing. Proverbs 22:7 sums these verses up by stating that debt makes one a slave to the lender.

As mentioned there are two caveats in Deuteronomy 15:1-7. First is that a creditor shall cancel any loan given to a fellow believer. While this may eventually be used by the Democrats to push the cancel debt agenda, the problem here is that students and parents have borrowed from some institution and not a person of their faith.

The second caveat is that you may lend to others but not borrow from the nations so that they will not be able to rule over you. While this may seem similar to the first caveat it is not. Here “nations” refer to any government agency, whether foreign or domestic.

There are many student debt organizations where parents and students can obtain information on how to manage their educational debt.

Many educational loans can be reduced, postponed or paid off through some form of community service. Instead of going directly into college from high school, students can join the military for two years and receive educational benefits both while on active duty

and when they leave the service. Going to in-state and local colleges can significantly reduce the need for large student loans. Similarly work-study and similar programs are available to students. Spreading college out in a pay-as-you-go process will eliminate any need for loans. Finally investing in 529 and educational savings plans are a great way for paying tuition costs.

The one question that everyone needs to ask those advocating debt forgiveness is, "How is it that many low income students, and single parent students are able to attend and graduate from two and four year colleges without incurring any significant student debt?"

### **Free College Tuition**

The concept of tuition-free college is catching on. To date, approximately 20 states offer some form of "tuition free" college. Such programs include mostly 2-year community college and in a few instances 4-year colleges.

Currently student debt is a major force in driving the development and implementation of tuition free education programs. This however is a false narrative and should be looked at with skepticism.

Many of the current programs were implemented on the belief that a higher education level results in higher incomes. While this may have been generally true in the past, current graduates are having employment problems. Eventually though they will be earning more than most high school graduates.

This higher income resulting from higher education levels concept has lead legislatures to think that free-tuition programs will benefit state coffers. This will only be true if graduates remain in the state. Many studies however have shown that students do move out-of-state after graduating from college. According to Slate.com, the percentage of those leaving is difficult to pin down as it fluctuates from year-to-year. In 2005 for example it averaged 12.7% leaving, while in 2015 it was about 10.4%. These percentages vary among states. For example Sun Belt and coastal states experience less out-of-state movement than other states while at the same time students moving into these states increases.

The question though is, "Are so-called tuition free college education programs, truly free?" The simple answer is no they are not. For these types of programs, money to support the teachers, college personnel, and facility needs are required. Much of this money comes from taxes.

While free tuition sounds great, students are not left off the hook. All of the tuition free programs have one or more requirements that students must meet if they are to take advantage of these programs.

Depending upon the state and its programs, there are eligibility requirements that may include:

- Pre and post state residency
- High school diploma
- Maintaining a minimum GPA
- Enrolling in a student work program
- Program completion
- Graduation within a specified time period
- Full-time enrollment
- Maximum income requirement
- Tuition free is secondary to scholarships and grants

While these programs may sound good to students, they are often touted to benefit politicians. Most programs have so many restrictions in their fine print that students enrolled in these programs often graduate with more debt than higher income students.

While these programs are tax payer supported, the relative cost to tax payers increase when the number of graduating students leaving the state increases. Further, even if post graduation residency is required, the state will have difficulty collecting tuition fees, especially since students will not see such fees as debt.

### **Free Education to Migrants**

This is another program that is being pushed by the Left. While sounding altruistic the program is definitely disadvantageous to Americans. There is only one aspect of free education that would be advantageous and that is teaching migrants English. Once they have learned English, socially oriented printed matter will not have to be duplicated with translations. Consequently this will help reduce health care costs along with taxpayer costs.

However, more to the point, such programs increase the need for more

- Teachers
- Instructional services
- School personnel
- Support services

- Technology for student achievement and data management
- Electronic transfer of migrant student records
- Health, nutrition and social services
- Summer school
- Parental involvement
- Facilities
- Equipment and software.
- Bilingual teachers and school

The above areas are considered cost centers by the US Department of Education.

A 2008 Pew report stated that 6.8% of K-12 students were unauthorized migrants. The US Census Bureau estimated the national average cost per student was \$12,028 and that there were about 3.7 million undocumented students. These figures equate to a \$44.5 billion educational cost that taxpayers footed in 2008.

Sixteen states provide in-state tuition and financial aid benefits to undocumented migrant students. According to The Education Trust, currently, about 65,000 undocumented students graduate from high school annually (\$781.8 billion). Regardless of graduation rates, migrant students experience high dropout rates, low achievement levels and slow progress.

### **Summary**

The cost of education at all levels increases annually. What students pay in terms of tuition, books and supplies is only a small portion of the costs to manage and operate a college or university. The majority of operational costs are taxpayer supported. Similarly free education and tuition programs are also taxpayer supported.

The Democrats and Left would like you to believe that they are being altruistic by offering these programs. In essence though, when a close look is given to each program, taxpayers will find that they are paying for the programs through their taxes. Thus, the question becomes, why do the Democrats and Left keep pushing their educational agenda?

The answer is very simple. It is human nature to respond to free things. For example the BOGO concept of buying one bag of potato chips and get another free sounds great until you compare that cost to the larger economy size which has more but cost less.

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