

The Government Has Made College an Overpriced Scam

 reason.com/2023/08/16/the-government-has-made-college-an-overpriced-scam

August 16, 2023

It's August. Many young people head off to college.

This year, fortunately, fewer will go.

I say "fortunately" because college is now an overpriced scam.

Overpriced, because normal incentives to be frugal and make smart judgements about who should go to college were thrown out when the federal government took over granting student loans.

Why?

Because our government basically vomits money at everyone who applies.

If private lenders gave out the loans, they'd look at whether they were likely to be paid back. They'd ask questions like: "What will you study? You really think majoring in dance will lead to a job that will pay you enough to allow you to pay us back?"

Government rarely asks these questions. Bureaucrats throw money at students. Many don't benefit. Many shouldn't even be going to college. Today, nearly half of the students given loans don't graduate even after six years.

Many feel like failures.

College is good for people who want to be college professors or who major in fields like engineering and computer science that might lead to good jobs. But that's not most people. Government loans encourage *everyone* to go to college, even if they're not very interested in academics.

Government's handouts also invite colleges to keep raising tuition. Over the past 50 years, college cost rose at four times the rate of inflation. Four times!

Years ago, I reported how colleges were suddenly wasting money on luxuries like fancy gyms and even day spas. Last week, *The Wall Street Journal* reported that it's gotten worse: The University of Oklahoma bought a monastery in Italy for study abroad students! The University of Kentucky built a theater where students play video games.

"Why *not* raise tuition?" asks the typical college president. "Uncle Sam pays the bill!"

When I went to Princeton, tuition was \$2,000. Now its \$60,000.

Colleges have little incentive to cut costs or innovate. Princeton still "teaches" by having professors lecture. Super boring. I slept through many.

Although today, I guess I should thank Princeton because its tedious lectures inspired me to try to find better ways to present information. That made me successful on TV.

Today, student loan borrowers owe tens of thousands of dollars. Last year, President Joe Biden announced he would cancel up to \$20,000 of that debt per person.

Indebted students loved that! A group named the Student Debt Crisis Center called that "a major win for many."

But it would be a major loss for many more! Canceling debt is unfair to the people who work hard and pay off their debts.

Fortunately, Biden's plan was struck down by the Supreme Court, which said only Congress has the right to cancel student debt. Congress didn't.

Now Biden's trying again. The administration announced they will forgive debt for anyone who's been making payments for more than 20 years. That's better, but still bad. Maybe courts will stop this handout, too.

College students take on loans and spend decades in debt because they believe they must get a degree to be hired. But that's no longer true. IBM, Accenture, Dell, Bank of America, Google, and other big companies, recognizing the uselessness of many undergraduate degrees, recently dropped college degree requirements. So have state governments in Maryland, Utah, Colorado, Pennsylvania, Alaska, North Carolina, New Jersey, and Virginia.

Good jobs in the trades, like welding and plumbing, don't require a college degree. Trade school programs often take less than two years and cost much less than college.

To have a good life or get a good job, you don't need fancy dining halls, video game auditoriums, or a college degree.

College has become a government-subsidized rip-off. It's good that fewer people go.