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Why Forgiving Student Debt is Bad Policy

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When a society embraces comprehensive loan forgiveness, it discounts the idea of personal responsibility by allowing people to shift the cost of their choices onto others.

As the 2020 election heats up, Democratic presidential candidates are promising an unprecedented amount of money to various interest groups, including the estimated **44 million Americans saddled** with student loan debt.

Federal student loan debt is **estimated** at \$1.5 trillion, **up from \$600 billion** just ten years ago, (plus about **\$119 billion** in student loans from private sources.) **College debt is second** only to mortgage debt, and surpasses credit card and auto loans.

Presidential hopeful **Joe Biden says** he would cut student debt for most people and eliminate it completely for low-wage earners. Under **Elizabeth Warren's plan**, all debtors would receive a sizable debt deduction, and about 75% would see their entire loans canceled. **Bernie Sanders goes even further**. He wants to cancel all student loan debt in America, including debt incurred in private and graduate schools, and regardless of the debtor's income.

Because student loans are a significant burden to carry into adult life, it seems a just proposal to forgive this debt—until you realize how unjust it is to the majority of the U.S. taxpayers.

Consider those who worked while going to school to avoid going into debt, or graduates who worked hard after college to pay off their balance, or parents who saved up to pay for their children to go to college debt-free. Others avoided college for the simple reason that they did not want to incur the debt.

College graduates generally **earn a higher income** than those with only a high school education—which means that using government funds to forgive college debt would have lower-wage earners effectively paying the debts of higher wage earners.

Proponents of college debt forgiveness point to the fact that predatory loan companies **take advantage** of inexperienced young borrowers by charging surprise fees, losing records, and offering shoddy customer service, making it harder to pay off their loans.

It's natural to sympathize with people who fall for shady loan practices—but is the government, financed by you and me, supposed to reimburse every person who regrets a financial decision? It's only fair that those who reap the benefits of a service are the ones to pay for it.

And if the government is going to forgive student loan debts, why not bail out people's medical debts? Taking out a student loan is a choice, while no one chooses to get sick. (Bernie Sanders, a step to the left ahead of his opponents, has also **proposed** medical debt relief.)

When a society embraces comprehensive loan forgiveness, it discounts the idea of personal responsibility by allowing people to shift the cost of their choices onto others. But it isn't the job of the government – using U.S. taxpayers' hard-earned money – to provide some Americans with complimentary higher education.



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