



The Daily Dish

Is Free College a Good Idea?

DOUGLAS HOLTZ-EAKIN | APRIL 22, 2021

Eakinomics: Is Free College a Good Idea?

Yesterday, Senator Bernie Sanders and Representative Pramila Jayapal [introduced a bill](#) to make college free for students from families earning less than \$125,000. Specifically, “The [bill](#) would make community college tuition-free for everyone and four-year public colleges tuition-free and debt-free for students from families making up to \$125,000 per year.” Also, “The bill would also allow students from families who make up to \$125,000 per year to attend private, nonprofit minority-serving institutions tuition-free such as historically Black colleges and universities.”

Is this a good idea? Nope.

First, do we really want to subsidize lifetime students? It might sound ludicrous for someone to keep going year after year, but one thing that tuition does is give students an incentive to get their education as quickly as possible and move on. Having anything provided free invites overuse and abuse.

Second, the argument is that college is the 21st century version of high school. “‘In the 21st century, a free public education system that goes from kindergarten through high school is no longer good enough. The time is long overdue to make public colleges and universities tuition-free and debt-free for working families,’ Sanders said in a statement.” This is just not correct. College is not a broad-based, generally applicable set of knowledge. It has specialized areas and professional training that specifically benefit the student in the form of higher lifetime earnings. They have every incentive to pay for that higher return, and it is inappropriate to stick the taxpayer with the bill.

Third, these institutions are not the only ones providing college education. The free-tuition proposal would tilt the playing field against private colleges, for-profit specialized training schools, vocational training, on-line colleges, and innovative, entrepreneurial new entrants not yet in existence. Ossifying the competitive dynamics in such a dysfunctional sector is a policy error.

Fourth, these institutions have no particular merit. Indeed, they are currently doing a terrible job. In [2019](#), only 40.8 percent of students entering public 2-year colleges graduate in 6 years – the worst track record of any type of college. For public 4-year colleges, it was merely 66.7 percent. If the taxpayer is going to pay for their book of business, it should only be in exchange for fundamental reforms that improve performance.

Finally, this is a weird subsidy. Right now, low-income Americans can already go for free on Pell grants. As a result, the free-college proposal is really a subsidy to the middle class, right up to \$125,000 per year. Why do something that is so regressive?

“[Free](#)” is the soundtrack of the progressive policy movement. But as alluring as “free” can sound, the reality is a lot less appealing.