



STUDENT DEBT: GAME OF LOANS

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I'm guessing you've heard of the acclaimed TV show "Game of Thrones." Seven kingdoms vying for power, plots within plots, watch your back or lose your head. It's great.

But you've probably never heard of a real life drama that I call the "Game of Loans." That's a game Washington politicians play on young people, that is, college students, every day.

Just like "Game of Thrones," the "Game of Loans" has plots within plots, big winners and big losers.

The winners are politicians and colleges. They fool students into thinking that by generously providing ever-larger college loans to cover ever-larger tuition costs, they have earned students' votes at election time. Why do I say students are fooled? Because it is thanks to the very politicians who promise students more and more aid -- in league with the colleges -- that college tuition became so expensive in the first place.

Here's how the game works.

According to Bloomberg News, since 1978 the cost of a college education has gone up by over 1000 percent. Way past the rate of inflation. Tuition alone at many colleges is 20, 40, even 50 thousand dollars a year! So, how do you pay for it? Answer: student loans, loans that the government is happy to give you since they collect the interest. You don't have to be a finance major to figure out that all these student loans give colleges no incentive to cut costs. Instead, it gives them every incentive to raise costs. Higher tuition obviously means more money for the college.

Now if students were going to college in record numbers to study engineering or computer science or biology -- professions with high employment rates -- maybe these crazy sums would make some sense. Maybe. But the most common majors are in the social sciences and communications -- in subjects like sociology, cinema history and gender studies. Not surprisingly these majors have very high unemployment rates, as in, they don't prepare you for a job. And these majors are mainstream! You can get a degree in storytelling, bag piping and puppet arts for your fifty thousand a year.

But here's the point: colleges are no longer primarily about preparing you for a career. Today's higher education is about teaching you what a terrible country America is, social activism... and binge drinking. Hey, if college didn't cost so much the parties might be worth it, but it does.

The average student loan debt in America is \$28,400 per borrower. Note that this is per borrower, not graduate! Big difference. A large chunk of the 1.3 trillion dollar student loan liability is held by ex-students who never graduated. For every 100 students who enter a four-year college only 59 exit with a degree.

But maybe you're one of the lucky ones. You got a business degree and you found a decent job. Chances are you're paying off your student loans and will be for the next 10, 20 or even 30 years! Good luck saving money for a down payment on a house or just about anything else.

Mike Rowe from the TV show "Dirty Jobs" nicely summarized the issue this way: "We are lending money we don't have to kids who can't pay it back to train them for jobs that no longer exist."

So, am I saying that college is always a waste of time and money? Of course not. But I am saying this:

1) Remember that if you take out a student loan, it's not free money. You actually have to pay it back. I know this sounds ridiculously basic but it's also ridiculously important. And since you owe this money to the federal government, you can't get out of it, even if you declare bankruptcy.

2) Whenever you hear politicians say they want to make college "more affordable," what they're really saying is that they want to get the youth vote while making it easier for you to dig yourself into a deep hole.

These politicians don't have your best interest at heart. They have their own best interest at heart -- namely, getting elected. You don't owe them anything.

"The Game of Loans" is rigged -- and not in your favor. But if you're smart about your choices, you can beat the odds.

I'm Charlie Kirk of Turning Point USA for Prager University.