Reforming higher ed by punishing students

Federal policy changes have made student loans harder to obtain—and much harder to pay back.

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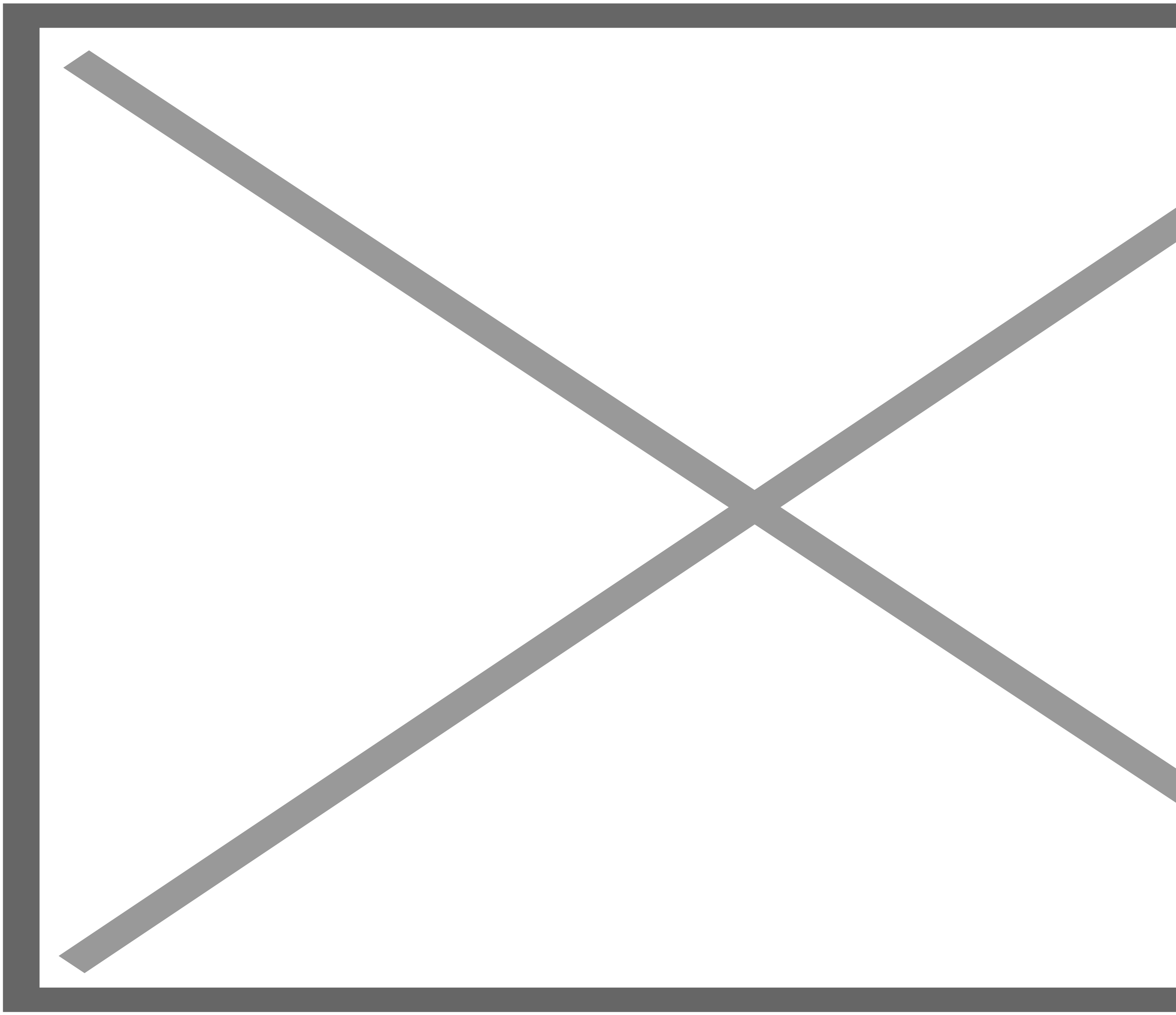

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Since the 1970s, the cost of college has risen at vertiginous rates, and in the last 30 years tuition has nearly doubled. According to the Institute of College Sciences, 72 percent of undergraduates require at least some financial aid.

Students starting degree programs this fall may have a harder time paying for school than any generation before. On July 1, drastic changes to the federal student loan process went into effect, as outlined in Donald Trump's One Big Beautiful Bill.

Among the most notable differences are new caps on how much graduate students can borrow. Previously, Grad PLUS loans could be used to cover the entire cost of graduate school. Now, no matter how much a program costs, students can only borrow up to $200,000—and only for degrees the Trump administration deems "professional," like an MD (the median cost for medical school this year is $297,745 at a public university and $408,150 at a private one). For degrees in theology, education, social work, and more, the cap is $100,000.

Borrowers will now also have a harder time paying back their federal loans. While they used to choose from four repayment plans that all limited their monthly payments to a percentage of their discretionary income, now there are only two plans: one that doesn't take their income into account at all, and another that looks only at their adjusted gross income, ignoring variables like dependents and cost of living. Neither new plan allows payments to be deferred when a borrower has lost their job or is facing economic hardship.

According to the Trump administration, this overhaul was necessary to reduce tuition prices; schools would not be able to raise rates to extreme highs if students were not able to borrow to cover whatever astronomical number was thrown at them. That much the administration gets right; the pressure our society places on college hopefuls to take on tens or even hundreds of thousands of dollars in student debt in pursuit of a career is difficult to justify.

But so is allowing those students to be collateral damage in Trump's ongoing fight against universities. Experts anticipate that under these so-called reforms, many students will either turn to risky private loans to fund their education—if they even qualify—or they won't go to college at all. And while skills-based hiring is a trendy talking point, a recent Harvard Business School study found that when companies removed a degree requirement for a position, this led to actually hiring a person without a college degree just one in 700 times.

In his second term, Trump has done much to turn back any attempts at equity in the United States. Now we're looking at a future in which racial minorities and people from families with lower incomes—the demographics already struggling the most to pay for college, according to the Institute for Higher Education Policy—could essentially be barred from knowledge-based work.

Fifty years ago, state funding allowed many schools to offer affordable, if not free, tuition. Trump didn't cause the tuition crisis that followed, but he has cut billions in education funding. If the goal is to make college more affordable, perhaps the president should try investing in education instead of blocking access to it.