

— TOP TAKEAWAYS —

# Taxing Universities

## THE STUDENT DEBT PROBLEM IS REAL

- Millions of Americans are up to their ears in **\$1.8 trillion** of outstanding student loan debt, and 40% of the loans currently taken out were predicted to go into default by 2023 before the pandemic pause. There's no reason to think that the financial picture will be better when payments resume in October.
- Total outstanding student loan debt has **doubled as a share of GDP** from the mid-2000s to today, with **one in six adults** holding a loan (and **one in three** under 30).
- Because the Department of Education owns **92%** of the student loan market directly, this means taxpayers are already on the hook, even if we do not pass a forgiveness plan.

## IT IS UNFAIR TO FORCE AMERICANS WITHOUT FOUR-YEAR DEGREES TO PAY FOR LOAN FORGIVENESS FOR THE UPPER MIDDLE CLASS

- While student debt is a real problem, the solutions advanced so far have been unfair and regressive, and do not address the underlying crisis of skyrocketing college costs.
- Other than universities, the biggest beneficiaries of student loan forgiveness are in the professional class, while people from lower-income backgrounds are simply being priced out of attending college at all.
- Asking the majority of Americans without four-year degrees to pay off the loans of doctors and lawyers isn't a just way to solve the problem.

## THE JUST SOLUTION IS TO TAX UNIVERSITIES TO FOOT THE BILL FOR THE DEBT PROBLEM THEY'VE CREATED

- Universities have benefited the most from student loan programs, subsidies, and other taxpayer-funded programs, all while raising tuition for students well above inflation.
- The student debt crisis is really a college cost crisis, helped along by ever-increasing loan backing from the federal government.
- Universities have benefited enormously from the status quo; they should help pay for the solution and have skin in the game going forward.

Click [HERE](#) to read the policy focus and learn more about taxing universities.