

# Republican Perspective

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by Ed Manning

## Free Community College - A Teaching Moment

*"Facts do not cease to exist because they are ignored." Aldous Huxley*

Here are recent blog comments from Jennifer Kabbany, editor of The College Fix:

*"I attended community college. That was back in the 1990's, and it was ludicrously cheap. I recall I paid about \$90 a class at Santa Barbara City college. I checked my old college's website Thursday night for a cost comparison, and the price hasn't gone up too much - it stands at roughly \$150 a class now.*

*My point is - community college is not expensive. It's not out of reach for low-to middle-class families. Not by a long shot. I paid my way through community college waiting tables at local restaurants. It was one of the best times of my life. Yes, my parents chipped in to help make ends meet, but by no means did enjoy a free ride.*

*The experience taught me how to work hard, take care of myself, and be responsible and independent. It was a rite of passage I cherish to this day. I gained discipline, and came to understand the value of hard work and the enjoyment and satisfaction of a job well done.*

*Perhaps that is why, when I heard of President Obama's new plan to make community college free, I immediately groaned. It's a horrible idea...the last thing this country needs is another massive entitlement.*

*And who gets to pay for all this debt? The young people Obama is claiming to want to help. If he really wanted to help young people, he'd propose Social Security reform, or overhaul the student loan racket."*

It is most refreshing to read the comments of the editor of The College Fix which is a right-minded online daily of campus news and commentary from across our nation. She shares with us the traits that make this a great nation: work, discipline, responsibility and independence. She also brings home the reality that we are leaving massive debt to generations that follow.

President Obama's proposal for another entitlement is not strictly a Democratic issue although they have implemented the lion's share. President Bush gave us unfunded prescription drugs. The issue is that entitlements are stripping the American soul. Social Security is a large drain on the Treasury. It is running cash-flow deficits which means that the U.S. Treasury must produce actual cash from taxes or borrowing to make payments.

What about the Social Security Trust Fund you may ask? Well, in the past when Social Security ran cash-flow surpluses, Congress spent it on other programs and credited the Trust Fund with special issue government securities. It is in the neighborhood of \$1.2 trillion and is not counted as debt held by the public. Current law requires this debt to be repaid and this makes Social Security a real burden on upcoming generations. Note that repaying this debt, plus interest however, is adding to the federal government's deficit.

According to the 2014 trustees' report, the combined Social Security and Disability Insurance Trust Fund will remain solvent through 2033. In 2012 the Urban Institute did a study on Social Security benefits received over a lifetime from average earning males. The study determined for recent and future retirees, Social Security will provide a negative rate of return. Workers who reached age 65 in 2010 will receive 92 cents for every dollar paid in taxes, and workers who reach age 65 in 2030 will receive only 84 cents for every dollar in payroll tax contributions. This compares to retirees in 1980 who received \$2.12 in benefits for every dollar in contributions.

The sooner Congress reforms Social Security the quicker it will lessen the burden on future retirees. Without reform, Social Security benefits will be cut 23% across the board in 2033. With Congress in perennial campaign mode, it will take the voices of the voters to make it happen. Social Security was designed to protect the elderly from poverty, yet it pays benefits to the wealthy and leaves many low-income recipients in need of additional welfare benefits. Reform might consider an income means test. In addition, an increase to the age for both early and full retirement is an option as life expectancies have increased.

Social Security is the easier entitlement for lawmakers to address. Medicare is the big elephant in the room. Democrats should support reform for both, after all it is for the children.