Students have high aspirations for pursuing more education after high school. Unfortunately, postsecondary opportunities are not equally distributed. Students of color, students from low-income backgrounds, and students who are the first in their families to attend college experience lower rates of enrollment and graduation from postsecondary education. Closing these equity gaps, which are over 20 percentage points by race and income, is a compelling national priority with a tremendous public benefit.

Members of the National College Attainment Network (NCAN) see firsthand the challenges students face. NCAN is composed of and represents hundreds of community-based organizations, K-12 schools and districts, and colleges around the country that help millions of students beat the odds and complete postsecondary education. NCAN members know that with the right pre-college advising, financial aid, and mentoring, students of color and students from low-income backgrounds succeed at higher rates, whether it be in a two- or four-year degree or a high-quality certificate program. Students from the high school class of 2016 served by NCAN member programs narrowed the college completion gap by 10%.

The success of NCAN members shows what is possible, but the equity gaps in college attainment will not close until we address college affordability. NCAN’s research finds that only 23% of public four-year institutions and 41% of public two-year institutions were affordable for a student receiving the average Pell Grant before the COVID-19 pandemic hit. This one-two punch of inequity and lack of affordability, exacerbated by family income losses due to the pandemic, makes investment in the Pell Grant vital and urgent.

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**Why Pell Grants?**

**Pell Grants** serve as the cornerstone of federal investment in higher education. The need-based grant program provides crucial support for around 7 million students each year at over 5,000 institutions across the country. This aid is well-targeted; the majority of students who receive Pell Grant have family incomes of under $40,000. Pell Grants are also significant for students of color: 59% of Black students, 51% of American Indian/Alaska Native students, 48% of Hispanic/Latino students, and 36% of Native Hawaiian/Pacific Islander students benefit from Pell Grants.

Unfortunately, the purchasing power of the Pell Grant has continuously declined since the mid-1970s. At its peak in 1975-76, the maximum Pell award covered more than three-fourths of the average cost of attendance – tuition, fees, and living expenses – at a four-year public university. Today, it covers less than 30%, forcing students to borrow to finance their education. While Congress has made modest increases to the maximum award to keep up with inflation, the last time Congress made a substantial investment in the Pell Grant program was the 2009-10 stimulus package.

**Why Now?**

The COVID-19 pandemic has worsened the prospects of postsecondary access and success for many students. Seven percent of the students from the high school class of 2020 who we would have expected to enroll in college last fall did not, according to the National Student Clearinghouse Research Center. That number is 11% for students from high-poverty high schools.

Moreover, investing in postsecondary education is a means toward advancing an equitable recovery from the economic downturn caused by the pandemic. Those who pursue education beyond high school earn significantly more over their lifetimes than those who do not and are less likely to experience unemployment. Individuals without a college degree were the most likely to be laid off during the Great Recession, and early surveys show the trend is the same for this economic downturn. Also, nearly all of the jobs created in the recovery after the Great Recession were filled by individuals with at least some college education.

As our nation focuses on overcoming the challenges of the pandemic and resulting economic downturn, coupled with a racial reckoning that prompts us to focus on equity, we must look for commonsense policy to make college affordable with an eye toward closing equity gaps. **For this reason, NCAN calls on Congress to focus on an immediate investment in the Pell Grant program through the following recommendations.**
Double the Maximum Pell Grant Award

This is the most crucial step Congress can take to help narrow equity gaps in college attainment because affordability is at the heart of the problem. Doubling the maximum award would meet NCAN’s call for the Pell Grant to cover 50% of the cost of attendance for a public four-year university and make postsecondary education a reality for more students. Doubling Pell should be the first step in addressing this crisis because this action would be well-targeted to the students who are most in need and would benefit students in all states.

If Congress doubles the maximum Pell Grant award, lawmakers should also tie Pell to inflation so that they will not need to continually revisit the issue of declining purchasing power.

President Biden’s proposal to increase the maximum Pell Grant by $1,875 would improve the purchasing power of the award to 36%. NCAN commends this first step toward our goal and recommends that Congress lay out a plan to reach the full promise to double Pell over the next few years.

DOUBLING THE PELL GRANT WILL REVERSE THE GROWING COLLEGE AFFORDABILITY GAP

Establish a Federal-State Higher Education Partnership to Mitigate the Rising Cost of College

Less than 23% of public bachelor’s degree institutions are affordable for a student receiving the average Pell Grant. For this reason, NCAN recommends coupling a federal-state partnership that provides federal matching funds with our proposed generous increase in Pell Grant funding to incentivize states to increase their investment in their public systems of higher education. Should this investment be designed as a free college program, it should be: first-dollar, allow other grant funds to be used toward the cost of attendance, be available for both associate and bachelor’s degrees at public and nonprofit, private institutions, and be designed to respond to the countercyclical nature of the cost of higher education.

Support All Postsecondary Students in Need of Federal Student Aid

Congress should allow students who are undocumented, individuals with Deferred Action for Childhood Arrivals (DACA) status, individuals with Temporary Protected Status (TPS), and those meeting similar requirements to be eligible to apply for federal student aid.

Percent of Public Bachelor’s Institution Tuition, Fees, Room and Board Covered by the Maximum Pell Grant

- Historic High: Academic Year: 1975-76
  - 21% Covered
  - 79% Not Covered

- As Appropriated: Academic Year: 2021-22
  - 29% Covered
  - 71% Not Covered

- Biden Proposal: Academic Year: 2022-23
  - 36% Covered
  - 64% Not Covered

- Double Pell: Academic Year: 2022-23
  - 44% Covered
  - 56% Not Covered

Percent of Remaining Tuition, Fees, Room and Board Not Covered by the Maximum Pell Grant