

HOW CONGRESS CAN CLOSE EQUITY GAPS IN POSTSECONDARY EDUCATION

Opportunities to pursue and succeed in postsecondary education are not equally distributed. Students of color, students from low-income backgrounds, and students who are the first in their family to attend college enroll and graduate from postsecondary education at lower rates than their peers. 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 25% of public four-year institutions and fewer than half of public two-year institutions were affordable for the average Pell Grant recipient 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?

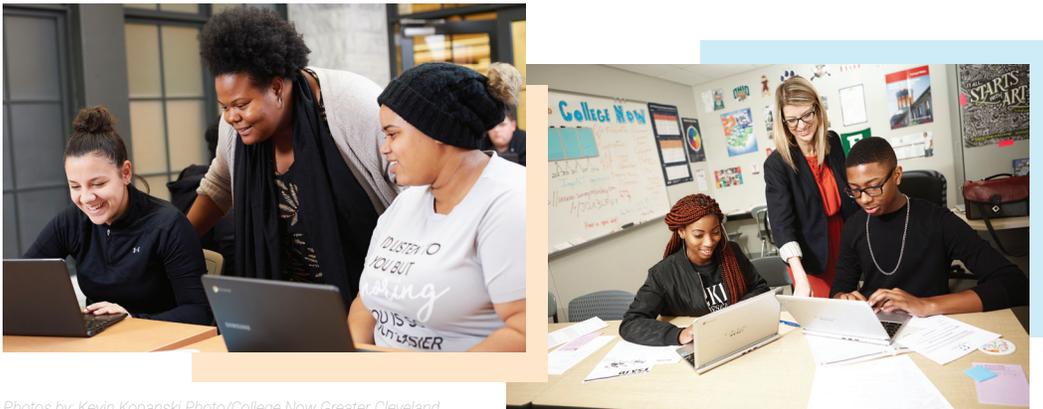
[Pell Grants](#) serve as the cornerstone of federal investment in higher education. The need-based grant program provides crucial support for around 7 million students each year at over 5,000 institutions across the country. This aid is well-targeted; the majority of Pell Grant recipients have family 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 receive 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 undeniably worsened the [prospects of postsecondary access and success for many students](#). 1 in 5 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 1 in 3 for students from high-poverty high schools.

Moreover, investing in postsecondary education is a means toward redressing the negative impacts of the pandemic's resulting economic downturn. Those who pursue education beyond high school earn significantly more over their lifetime 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.



Photos by: Kevin Kopanski Photo/College Now Greater Cleveland

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 to Close Equity Gaps Fueled by the College Affordability Crisis

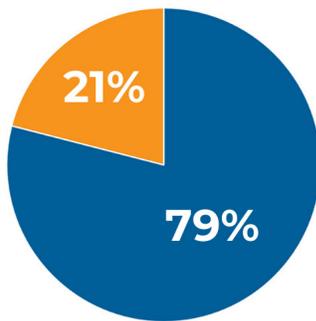
This is the most crucial step Congress can take to help narrow equity gaps in college attainment because affordability is at the heart of the problem. Doubling the maximum award would meet NCAN's call for the Pell Grant to cover 50% of the cost of attendance for a public four-year university and make

postsecondary education a reality for more students. Doubling the Pell Grant 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 it can be taken regardless of state action on higher education.

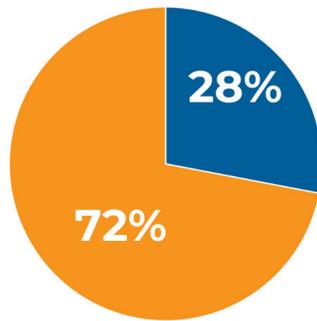
If Congress doubles the maximum Pell Grant award, lawmakers should also tie Pell to inflation so that they will not need to continually revisit the issue of declining purchasing power.

DOUBLING THE PELL GRANT WILL REVERSE THE GROWING COLLEGE AFFORDABILITY GAP

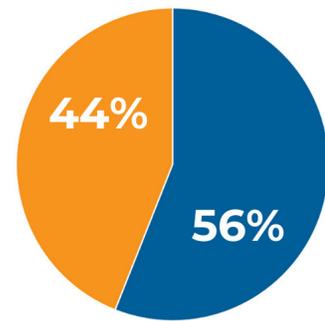
Historic High
Academic Year: 1975-76



As Appropriated
Academic Year: 2020-21



Double Pell
Academic Year: 2020-21



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

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

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

Congress should incent state investment in college affordability and design a partnership to complement Pell Grant investment. Fewer than 25% of public bachelor's degree institutions are affordable for the average Pell Grant recipient. For this reason, NCAN recommends a federal-state partnership that incentivizes states to increase their investment in their public systems of higher education through federal matching funds. Further, a generous increase in the Pell Grant investment must be coupled with this type of state investment so that states do not see the increased Pell Grant dollars

as a reason to further divest, pushing the cost of college disproportionately higher as compared to inflation.

This investment must also be designed to respond to the countercyclical nature of the cost of higher education, where need is higher during economic downturns.

Support All Postsecondary Students in Need of Federal Student Aid

Congress should allow individuals with Deferred Action for Childhood Arrivals (DACA) status, Temporary Protected Status (TPS) recipients, and those meeting similar requirements – sometimes referred to as Dreamers – to be eligible to apply for federal student aid.