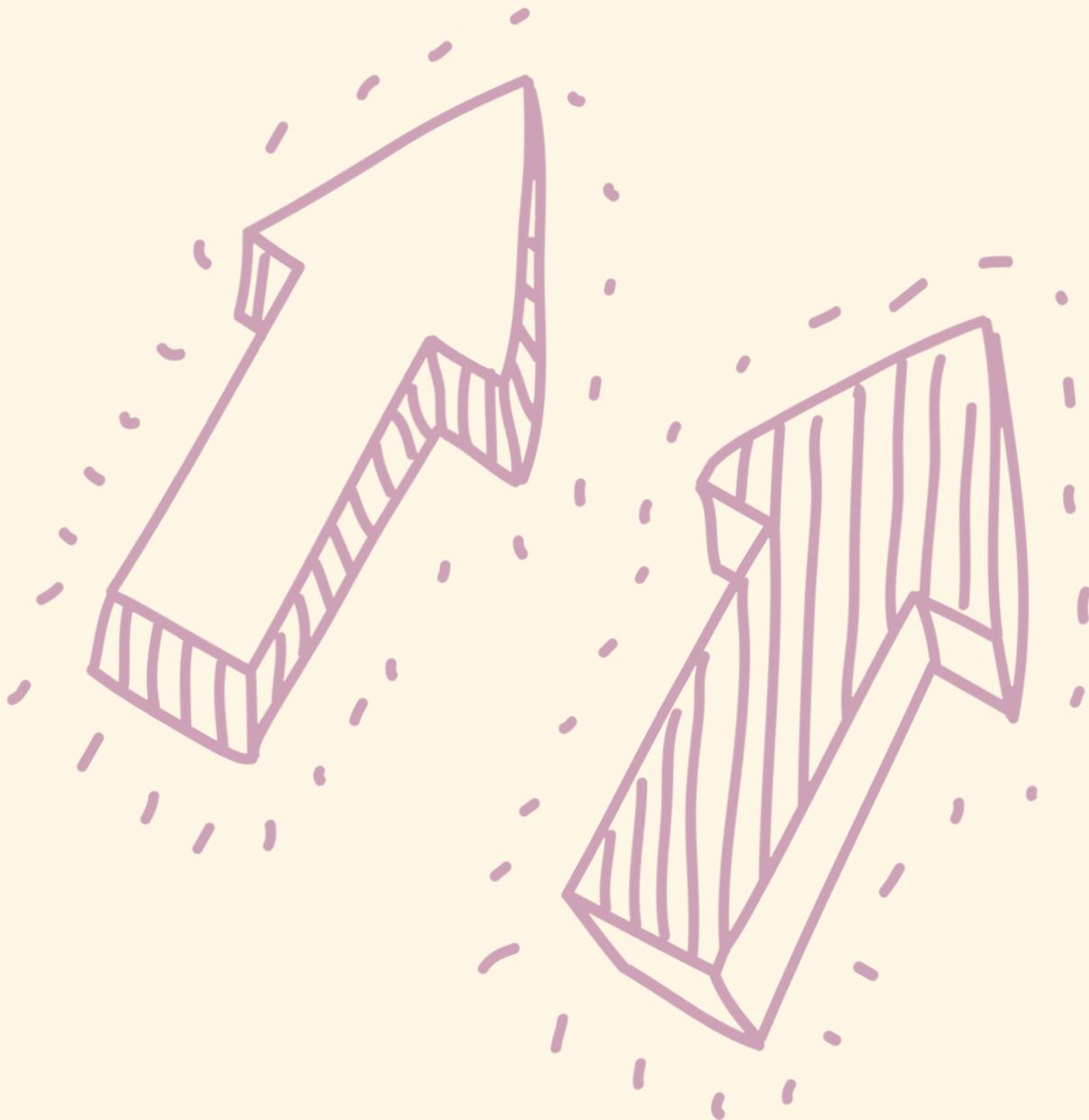

WHY IT'S TIME TO **DOUBLE PELL**



WHY IT'S TIME TO #DoublePell

The federal Pell Grant program provides need-based grant aid to low- and moderate-income students to help cover college costs. Pell Grants are the federal government's most effective investment in college affordability — but the share of college costs covered by the grant is at an all-time low.

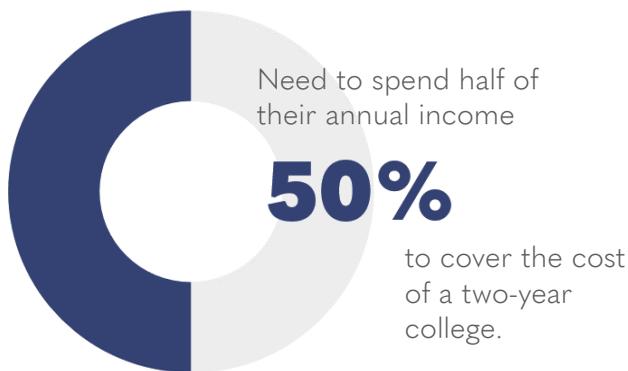
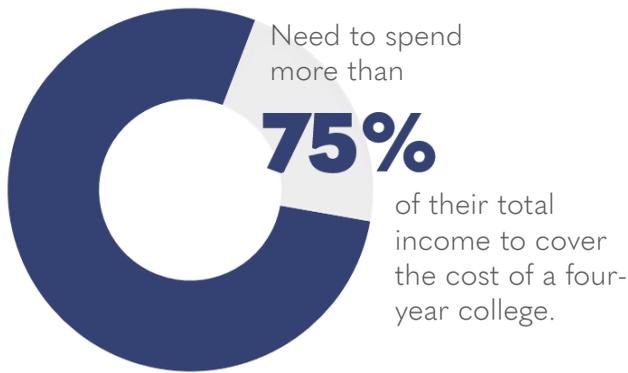
Big new investments in Pell are long overdue. That's why we've long urged Congress to **#DoublePell**.

Now, due to the impact of COVID-19, many students will need significant additional support to pay for college. It is critical to make major new investments in the Pell Grant program to meet this need.

College Is Increasingly Unaffordable for Low-Income Students

Students from low- and moderate-income families are in critical need of additional grant aid to pay for college.

Students From Families Making \$30,000 or Less



Pell Grants Help Millions of Students Attend and Complete College ...

Over **seven million students** depend on Pell Grants to attend and complete college.¹

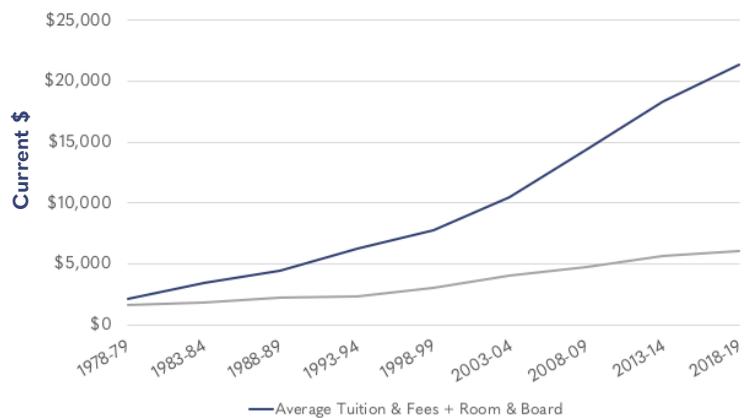
Pell Grants help boost college enrollment, help accelerate graduation, improve student outcomes, and improve college completion rates.²

... But They Don't Go Far Enough

The Pell Grant currently covers the lowest share of college costs in its history.

At its peak in 1975-76, **the maximum Pell Grant covered more than 75%** of the cost of attending a four-year public college. The 2018-19 maximum award amount **covers just 28% of that cost**.³

Rise in Cost of Attendance at Public 4-Year Colleges Compared to Maximum Pell Grant



Pell Grants Are Especially Important for HBCU Students

Doubling the Pell Grant will be a major milestone for students attending HBCUs — **75% of HBCU students** rely on Pell Grants to cover the cost of attendance; at some HBCUs, **9 in 10 students** receive Pell Grants.⁴

How Congress Can Invest in the Pell Grant Program

Pell Grants have long enjoyed bipartisan support. The time is now to invest in our nation's neediest students and restore the grant's purchasing power.

We urge Congress to:

- **Double the maximum Pell Grant** so that it covers at least roughly half of the average cost of attending a four-year public college.

Research suggests that the maximum Pell Grant needs to be roughly doubled to overcome current disparities in enrollment and completion by income.

- **Permanently restore the grant's automatic annual inflation adjustments** to provide predictable annual increases going forward and reduce future erosion of the grant's purchasing power.

Pell Grant awards were tied to inflation from 2013 through the 2017-18 award year. Without the automatic adjustment, there is an annual risk that the grant won't even keep pace with inflation.

- **Make Pell Grants a mandatory program** to protect the program and ensure predictability for recipients.

The Pell program functions like an entitlement, where every qualified student receives a grant, but largely relies on discretionary funding. Shifting to mandatory funding would eliminate the need for annual appropriations and provide for automatic adjustments in program funding based on changes in participation.



Endnotes

1. Congressional Budget Office (CBO), March 2020 baseline projections for the Pell Grant program, <https://bit.ly/2VVtFh0>.
2. Denning, Jeffrey T., Benjamin M. Marx, and Lesley J. Turner. 2019. "ProPelled: The Effects of Grants on Graduation, Earnings, and Welfare." *American Economic Journal: Applied Economics*, 11 (3): 193-224. <https://www.nber.org/papers/w23860.pdf>; Evans, Brent J. and Tuan D. Nguyen. 2018. Monetary Substitution of Loans, Earnings, and Need-based Aid in Postsecondary Education: The Impact of Pell Grant Eligibility (CEPA Working Paper No.18-05). Retrieved from Stanford Center for Education Policy Analysis: <http://cepa.stanford.edu/wp18-05>.
3. College costs are defined here as average total in-state tuition, fees, room, and board costs at public four-year colleges. Calculations by TICAS on data from the College Board, 2019, Trends in College Pricing 2019, Table 2, <https://research.collegeboard.org/xlsx/trends-college-pricing-excel-data.xlsx>, and U.S. Department of Education data on the maximum Pell Grant. The maximum Pell Grant for 2020-21 was announced in the Department of Education's Pell Grant Payment and Disbursement Schedules, <https://ifap.ed.gov/dear-colleague-letters/gen2001>.
4. Calculations provided by UNCF.