



Pell Grants help make higher education accessible for over 7.5 million students. Over one-third of White students, two-thirds of Black students, and half of Latino students rely on Pell Grants every year.¹ Pell Grant dollars are well-targeted to those in need: 83 percent of Pell recipients come from families with annual incomes at or below \$40,000, including 44 percent with annual family incomes at or below \$15,000.²

But today, the maximum Pell Grant is at its lowest purchasing power in over 40 years: It covers less than 30 percent of the average cost of attendance at a public four-year institution.³ After funding from all sources is considered, low-income students still have to find a way to finance — on average — the equivalent of 76 percent of their family income, leading to disproportionate levels of debt.⁴

The financial barriers to higher education significantly limit social mobility and the availability of a skilled workforce. In an economy where two-thirds of new jobs require some form of postsecondary education, a college degree provides the surest path to achieving the American dream.⁵ Through a reauthorized HEA, Congress must invest in the American dream by investing in the Pell Grant program with these **three important steps**:

1. Restore the annual adjustment to the maximum award based on inflation.

- Congress allowed the annual adjustment for inflation to expire.
- Because college costs are not decreasing, ending the adjustment is — in real terms — a cut to Pell Grants.
- If Congress does not restore the adjustment, Pell students would see the buying power of their awards reduced drastically, with the maximum award covering only one-fifth of costs in 10 years.

2. Increase the maximum award.

- The maximum Pell Grant for 2018-2019 is \$6,095, covering less than 30 percent of the average cost of attendance at a four-year public institution, the lowest portion of college costs in over 40 years.
- A reauthorized HEA should put the maximum award on a path to covering at least half of the cost of attendance at a public four-year institution over time.

3. Shift to mandatory funding.

- The Pell Grant program already operates like an entitlement program. All eligible students who apply receive awards.
- Shifting to mandatory funding would eliminate the need for annual appropriations and provide for automatic adjustments in program funding based on changes in participation.

4. Expand Pell Grant eligibility for students who are incarcerated and Dreamers.

- Current law bans incarcerated students and Dreamers from accessing Pell Grants, severely limiting their access to higher education.
- Correctional education programs reduce the rate of recidivism by 43 percent and increase the rate of employment after release by 13 percent.⁶ These programs are associated with fewer violent incidents in participating prisons.⁷ These programs also result in net savings to taxpayers of between \$4 and \$5 for every \$1 invested and are substantially more cost efficient than just incarceration.⁸
- One-fifth of DACA recipients are enrolled in postsecondary education. Another third of recipients are in high school and are considering options to further their education and their preparation for the workforce after they graduate.⁹ Having access to Pell Grants will enable more of these young Americans to pursue higher education and enhance their opportunities to contribute to the United States, the only country many of them have ever known.

1: Congressional Budget Office (CBO), January 2017 baseline projections for the Pell Grant program, <http://bit.ly/2mly0nk>, Table 2; and Ed Trust calculation NPSAS:12 using PowerStats. 2: <https://www2.ed.gov/finaid/prof/resources/data/pell-2014-15/pell-eoy-2014-15.html> 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, 2016, Trends in College Pricing 2016, Table 2, <http://bit.ly/2j61c0h>, and U.S. Department of Education data on the maximum Pell Grant. The maximum Pell Grant for 2017-18 was announced in the Department of Education's Pell Grant Payment and Disbursement Schedules, <https://ifap.ed.gov/dpclatters/attachments/1718PellPaymentDisbursementSchedules.pdf>. 4: Ed Trust calculation NPSAS:12 using PowerStats. 5: Carnevale, A. P., & Van Der Werf, M. (2017). The 20% Solution: Selective Colleges Can Afford to Admit More Pell Grant Recipients (Rep.). Retrieved December 23, 2017, from Georgetown University Center on Education and the Workforce website: <https://cew.georgetown.edu/wp-content/uploads/The-20-Percent-Solution-web.pdf> 6: https://www.bja.gov/publications/rand_correctional-education-meta-analysis.pdf 7: https://storage.googleapis.com/vera-web-assets/downloads/Publications/postsecondary-education-in-prison-fact-sheet-for-correction-leaders/legacy_downloads/postsecondary-education-in-prison-fact-sheet-for-correction-leaders.pdf 8: https://storage.googleapis.com/vera-web-assets/downloads/Publications/postsecondary-education-in-prison-fact-sheet-for-correction-leaders/legacy_downloads/postsecondary-education-in-prison-fact-sheet-for-correction-leaders.pdf 9: <http://www.migrationpolicy.org/research/education-and-work-profiles-daca-population>