

The Association of Public and Land-grant Universities (APLU), along with nearly 1,200 organizations and institutions of higher education, have organized in support of doubling the maximum federal Pell Grant award. APLU has joined with this Double Pell Coalition to launch [DoublePell.org](https://www.doublepell.org), a national campaign in support of #DoublePell. This critical investment would help to bring an affordable, high-quality college education within reach for all students.

Despite steep cuts in state funding due to the Great Recession and the current COVID-19 pandemic, public universities continue to provide the most affordable path to a quality higher education and the lifelong benefits that come with a degree. As the country recovers from the devastating economic and health impacts of the pandemic, the Biden administration and Congress should urgently act to increase overall educational attainment, drive economic recovery, and help address racial and economic inequities. This historic increase to the Pell Grant program would help advance each of these goals.

Doubling the Maximum Pell Grant

WHY DOUBLE THE PELL?

For more than 7 million students (or 40 percent of undergraduates), Pell Grants make the difference between being able to afford college or not.ⁱ Pell Grants are well-targeted to students with clear financial need: Approximately three-fourths of all Pell Grant dollars are awarded to students with a family income below \$30,000.ⁱⁱ According to recent NCES data, almost 60 percent of Black students, half of American Indian/Alaska Native students, and nearly half of Latinx students receive a Pell Grant each year.ⁱⁱⁱ Additionally, about half of student parents and first-generation college students, as well as more than two-thirds of student veterans, are Pell recipients.^{iv}

A robust and growing body of research also shows that additional grant aid, including Pell Grants, increases college enrollment, degree attainment, and post-graduation earnings for recipients.^v

However, over the years the size of the grant has not kept pace with the costs of attending college. At its peak funding level in 1975-76, the maximum Federal Pell Grant award covered more than 75 percent of college costs.^{vi} Due to a combination of state disinvestment and insufficient increases to the Pell program, the maximum grant of \$6,495 now covers just under 30 percent of the cost of attending a four-year public college.

Doubling the maximum Pell Grant award would help to reverse this trend, making college more affordable for low-income students. Today, in-state tuition and fees at a public four-year university after subtracting institutional grant aid is just \$7,190. However, students must also factor in non-tuition costs such as course materials and fees, housing, transportation, and food, expenses that could be covered by additional grant aid. An analysis released in February 2021 from the Brookings Institute concludes that doubling the maximum Pell Grant “eliminates the affordability gap for students from lower-income families.”^{vii}

APLU RECOMMENDATIONS

The federal Pell Grant provides critical support for increasing access to higher education for all students, but to achieve this goal the federal government must invest to restore its purchasing power. We appreciate President Biden's support for doubling the maximum federal Pell Grant, which would be a monumental step at increasing college access and affordability.

As a part of this agenda to strengthen the Pell Grant, we encourage the Biden administration to work with Congress to:

- **Double the maximum Pell Grant award to \$13,000**
This investment would make college more affordable for low-income students, and bolster support for students and families recovering from the economic impacts of COVID-19.
- **Reinstate and make permanent the mandatory inflation adjustment for Pell Grants, which expired at the end of 2017**
Providing an annual inflation adjustment for the program would ensure that the purchasing power of the Pell Grant does not continue to decline over time.
- **Make Pell Grant funding fully mandatory, providing long-term security for the program and students**
While the Pell Grant program is structured to provide grant funding through a formula to every student who is eligible, funding is largely discretionary and subject to the annual appropriations process. Making the program fully mandatory would ensure program funding continues to match need.

ⁱ "Distribution of Federal Pell Grant Program Funds by Institution," U.S. Department of Education, February 26, 2020, <https://www2.ed.gov/finaid/prof/resources/data/pell-institution.html>.

ⁱⁱ Spiros Protopsaltis and Sharon Parrott, "Pell Grants — a Key Tool for Expanding College Access and Economic Opportunity — Need Strengthening, Not Cuts," Center on Budget and Policy Priorities (CBPP), July 27, 2017, <https://www.cbpp.org/sites/default/files/atoms/files/7-27-17bud.pdf>.

ⁱⁱⁱ National Center on Education Statistics, "Figure 22: Financial Aid," U.S. Department of Education, February 2019, https://nces.ed.gov/programs/raceindicators/indicator_REC.asp.

^{iv} U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16). Analysis by APLU.

^v Jeffrey T. Denning, Benjamin M. Marx, and Lesley J. Turner, "ProPelled: The Effects of Grants on Graduation, Earnings, and Welfare," *American Economic Journal: Applied Economics*, 2019, 11 (3): 193-224, <https://www.nber.org/papers/w23860.pdf>; Brent J. Evans and Tuan D. Nguyen, "Monetary Substitution of Loans, Earnings, and Need-based Aid in Postsecondary Education: The Impact of Pell Grant Eligibility," CEPA Working Paper No.18-05, 2018, <http://cepa.stanford.edu/wp18-05>.

^{vi} "Why It's Time to Double Pell," The Institute for College Access and Success (TICAS) and the United Negro College Fund (UNCF), May 2020, <https://ticas.org/wp-content/uploads/2020/11/Why-Its-Time-to-Double-Pell.pdf>.

^{vii} Phillip B. Levine, "The Economic Case for Doubling the Pell Grant," The Brookings Institute, February 17, 2021, <https://www.brookings.edu/research/the-economic-case-for-doubling-the-pell-grant/>.