

# #DOUBLEPELL

## FREQUENTLY ASKED QUESTIONS

### WHAT IS THE PELL GRANT PROGRAM?

The Pell Grant Program has been the foundation of federal student aid since it was created in 1972. It is a bi-partisan program that provides student assistance grants based on student need directly to low-income students to help pay for college at the school the students choose to attend.

### WHY SHOULD CONGRESS DOUBLE PELL NOW?

Pell Grants are a proven bipartisan program and the fairest and most efficient way to help low-income and first-generation students access and complete college. Additional grant aid helps keep low-income students in college and on track to graduation. Doubling Pell will put more money in the hands of students first, and allow them to use it at the college or training program that best fits their educational needs.

If the Pell Grant is doubled, not only will current students receive increased grants, but the pool of eligible students will grow, providing more working-class students access to aid.

### HOW DOES DOUBLING PELL HELP WITH ECONOMIC RECOVERY?

The pandemic has pulled the rug out from under low-income students. Since the pandemic began, college enrollment is down 13% across all of higher education, and financial aid applications are down 6% for low-income students. We are on the cusp of losing a generation of students.

Doubling Pell as part of the post-pandemic recovery will ensure this generation of Americans get the education and training they need to both move up the economic ladder get the economy working again, while helping America compete in a global economy that demands high skills.

### ISN'T DOUBLING PELL GRANTS TOO EXPENSIVE?

Doubling Pell Grants pays for itself. According to the Census Bureau, a recent college graduate pays, on average, \$3,660 more per year in taxes than a high school graduate of the same age. Over time the difference in taxes paid will increase as the college graduate will make \$1 million more in lifetime earnings. While Pell Grants help make the dream of college possible for students, they also more than pay for themselves through increased tax revenue to the federal government.

This is an investment in the future of our nation and our citizens and an effective and proven way to break the cycle of generational poverty.

### IF CONGRESS DOUBLES PELL, WON'T COLLEGES JUST RAISE TUITION?

No. Because Pell Grants do not go to all students, they are not an issue in setting tuition. There is also no research or evidence showing a causal relationship between increases in Pell Grants and tuition. Federal reports during the George W. Bush, Clinton and Obama administrations have discredited the fallacy that increased federal student aid causes institutions to raise tuition.

# #DOUBLEPELL

## ISN'T DOUBLING THE PELL GRANT A PARTISAN POLICY RECOMMENDATION?

The Pell Grant program, funding increases for the program, and increases in the maximum Pell Grant have been supported by Democrats and Republicans, liberal and conservative, in Congress and in the White House for almost 50 years.

Bipartisan support for significantly increasing the maximum grant is growing in Congress, as the pandemic made clear the serious need for additional grant aid for low-income students to stay in school and complete their college degrees.

## HOW MUCH DOES THE PELL GRANT PROGRAM COST?

For FY 2021, program costs are \$28.4 billion. Program costs vary from year to year, depending on the number of students that qualify for grants and the number of students who accept the grants.

## WHO DOES THE PELL GRANT SERVE?

Currently, the Pell Grant program helps 6.9 million students pay for college each year. Receipt of Pell Grants is based on need, with just over 80% of recipients from families with incomes of \$40,000 or less.

Pell Grants help students in all states and territories, in all corners of the country, whether rural, urban or in between. Students of all backgrounds receive Pell Grants, with nearly 60% of Black students; half of American Indian or American Native Students; nearly half of Latino students; and 30% of White students using Pell Grants to help pay for college.

Pell Grants help students at all types of institutions of higher education, including community colleges; four-year public colleges; two- and four-year private, nonprofit colleges; and two- and four-year private, for-profit colleges. At private nonprofit colleges, approximately 40% of undergraduate students are Pell eligible.

## HOW MUCH IS THE PELL GRANT?

Congress sets the maximum grant level annually. For 2021-22 the maximum grant is \$6,495, and the minimum grant is \$672. For 2020-2021 the average grant was \$4,117. Doubling the Pell Grant would increase the maximum grant to \$12,990, or approximately \$13,000.

## WHAT HAS PRESIDENT BIDEN PROPOSED?

President Biden's budget makes a down payment on his "commitment to double the Pell Grant maximum." The budget proposes a \$400 increase in appropriated funds, combined with a \$1,875 increase in mandatory funds this year, bringing the maximum to \$8,370 for FY 2022. President Biden recently highlighted the importance of increasing the maximum Pell Grant award by including it in his first newsletter as President as one of the top priorities in the American Families Plan.