

# Reflections on Pell

*Championing Social Justice through  
40 Years of Educational Opportunity*





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## FOR FURTHER INFORMATION

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### THE PELL INSTITUTE FOR THE STUDY OF OPPORTUNITY IN HIGHER EDUCATION

1025 Vermont Avenue, NW,  
Suite 1020  
Washington, DC 20005

P 202.638.2887

F 202.638.3808

[www.pellinstitute.org](http://www.pellinstitute.org)



# About

The Pell Institute, sponsored by the Council for Opportunity in Education, conducts and disseminates research and policy analysis to encourage policymakers, educators, and the public to improve educational opportunities and outcomes of low-income, first-generation students and students with disabilities. The Pell Institute is the first research institute to specifically examine the issues affecting educational opportunity for this growing population.

# About



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## ACKNOWLEDGEMENTS

**W**e wish to extend a hearty thank you to everyone who joined in to celebrate and commemorate the 40th anniversary of the Pell Grants through this project. There are many, many people who inspired, encouraged, and lent their passion, commitment, and expertise to the production of this collection of thoughtful reflections about the Pell Grants. The energy and time that each writer devoted to expressing the powerful contribution the Pell Grants have made in the lives of countless students over the last four decades as well as their deep concerns about the future of the program and constructive recommendations for ways to sustain it, has in the most practical and earnest way advanced the fighting for support for equal access to opportunities in higher education for all. We are, as well as the many thousands of students to come, indebted to you for raising your voices and writing your words for all of us to study and act upon.

A special expression of gratitude is extended to Senator Claiborne Pell's family during this 40th anniversary. We could not be more appreciative of the contribution of reflections from Dallas Pell, Senator

Pell's daughter, and the involvement and preface to this collection from Clay Pell, his grandson. Both Dallas and Clay carry their father and grandfather's torch for equal access to higher education for all. We are proud and grateful to be able to champion Senator Pell's vision of social justice through the Pell Grants with Dallas and Clay in this project.

None of the efforts would have been realized in the production of this report if it were not for the generous funding from The Lumina Foundation. We thank Lumina for valuing and providing funding support for advocacy and research projects that inform practitioners and policymakers.

Finally, we acknowledge that the responsibility for any errors or omissions discovered in the production and presentation of this collection lies solely with the Pell Institute. However, the content of each reflection essay are the opinions of the individual authors and do not necessarily represent the opinion or stance of the Pell Institute or its governing organization.



## PREFACE

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### CLAY PELL

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GRANDSON OF SENATOR PELL

Washington, D.C.

**T**his volume celebrates a remarkable milestone in recent American history. For 40 years, our country has come together around the simple proposition that every American “with the moxie and the drive” should be able to go to college.

Since 1972, more than 60 million students have pursued higher education with a Pell Grant, including 9.8 million students today and much of America’s current college-educated workforce.

More than ever, Pell Grant recipients are our future and represent our changing face as a nation. More than 50 percent of African-American and 40 percent of Latino college students count on Pell Grants. For African-Americans, a bachelor’s degree erases any difference in economic mobility compared with their White peers. For the average American, a bachelor’s degree will add about \$1 million to his or her lifetime earnings.

And that is why this volume is so timely. As our generation shapes the American Dream in the coming years, one commitment will become more essential

than ever before: opening these doors of knowledge and opportunity to all.

You will find in this volume a wide variety of reflections, which both celebrate the 60 million individuals who have gone to college on a Pell Grant, and encourage us to keep our commitment to the principles of access and opportunity in the future.

People often approach me to say how much their Pell Grant meant to them. It’s not just that the money made their educations possible, they say, but that they feel proud of, and grateful to, a country that invested in them.

My family and I would like to thank you and all those who have made the Pell Grants possible for the past forty years. We are grateful to the Pell Institute, the Council for Opportunity in Education, and the Lumina Foundation for their commitment to celebrating this milestone, and we look forward to working with all Americans to ensure access to knowledge and opportunity in the years ahead.

# Highlights



## BIRTH

Claiborne deBorda Pell  
born in Manhattan on  
November 22<sup>nd</sup>

1918



## EDUCATION

Graduates from  
Princeton with honors in  
History and Public and  
International Affairs,  
enlists in the Coast Guard

*Later retired from the  
Reserve in 1978*

1940



## EDUCATION CONT'D

Obtains a master's degree  
in International Relations  
at Columbia University  
and works in the State  
Department until 1952

1946



## SERVICE

Serves as vice president of  
the International Rescue  
Committee

1956



## ELECTION

Elected Senator of  
Rhode Island

1960



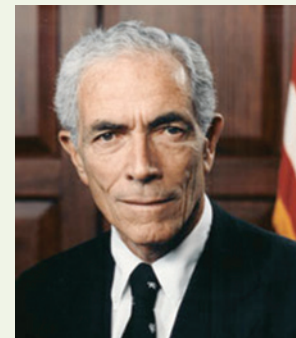
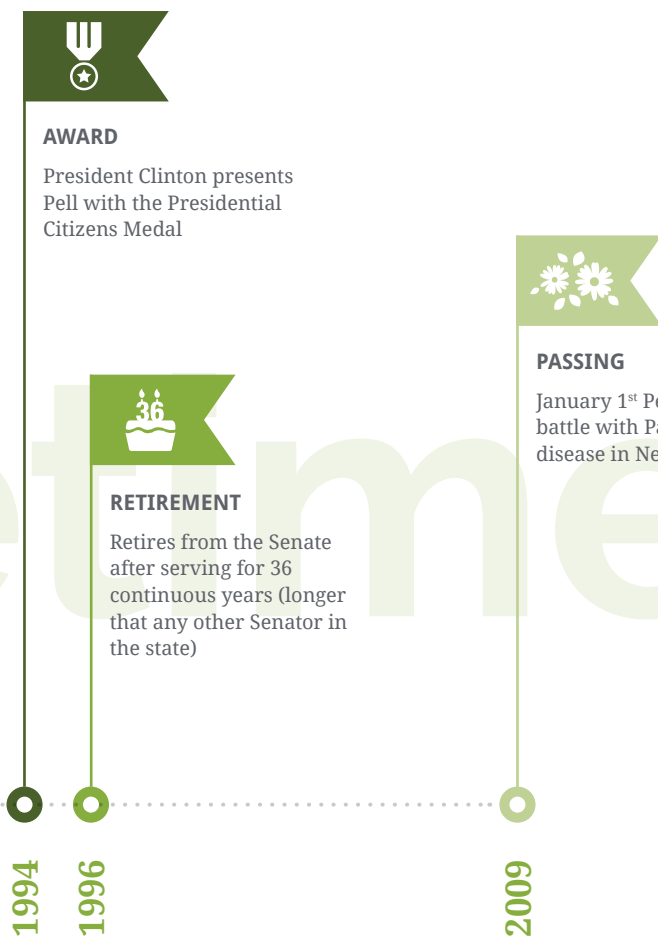
## GRANT SPONSOR

Sponsors the preparation  
of a large two-volume  
statistical report that  
became the basis of the  
bill creating the Basic  
Educational Opportunity  
Grant (BEOG)

1963

of

Lifetime



SENATOR  
CLAIBORNE PELL

1918-2009



## INTRODUCTION

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**DR. ARNOLD L.  
MITCHEM**

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**PRESIDENT**

Council for the  
Opportunity in Education

**T**oo much is at stake for us to not stop and critically reflect on the Pell Grants and what “Championing Social Justice through 40 Years of Educational Opportunity” really means. This collection of essays documents the significant achievement of the Pell Grants as well as how the program is at risk.

Forty years of commitment by the federal government to educational access for all students, regardless of income, is a landmark that most certainly warrants celebration. Commemorating Senator Claiborne Pell, the extraordinary visionary behind the unprecedented demonstration of support for equal opportunity to higher education, is a privilege and honor of the highest order. He was an exceptional, compassionate congressional civil servant whose legislative actions were driven by doing what is morally and socially just, and consequently he substantially transformed the lives of poor people all across this nation. Today, nearly 75% of all Pell Grant funds are distributed to undergraduate students from families who

earn less than \$30,000 per year. We owe a great debt to Senator Pell, and we must acknowledge his leadership and his indelible imprint on the education of American citizens.

The Pell Institute for the Study of Opportunity in Higher Education, aptly named for the Senator, is the research arm of the Council for Opportunity in Education. To commemorate the 40th anniversary of the Pell Grant program, The Pell Institute launched the PG40 Impact Initiative to explore the varying dimensions of the Pell Grant Program and its effects over the last 40 years. For the first convening of the PG40 Impact Initiative, in June 2012, The Pell Institute hosted rigorous presentations and discussions from financial aid experts during the Student Financial Aid Research Network (SFARN) Conference. Profiling and acknowledging current Pell Grant recipients and alumni during the Council for Opportunity in Education’s (COE) Annual Conference in September 2012 was also a major feature of the PG40 Impact Initiative. The highlight of the PG40 Impact Initiative is this compendium of reflections, which includes

both statistical information and personal testimony to provide policymakers and college and university administrators with a comprehensive view of the Pell Grant program and in turn to make more informed decisions about sustaining, legislating and administering the Pell Grant.

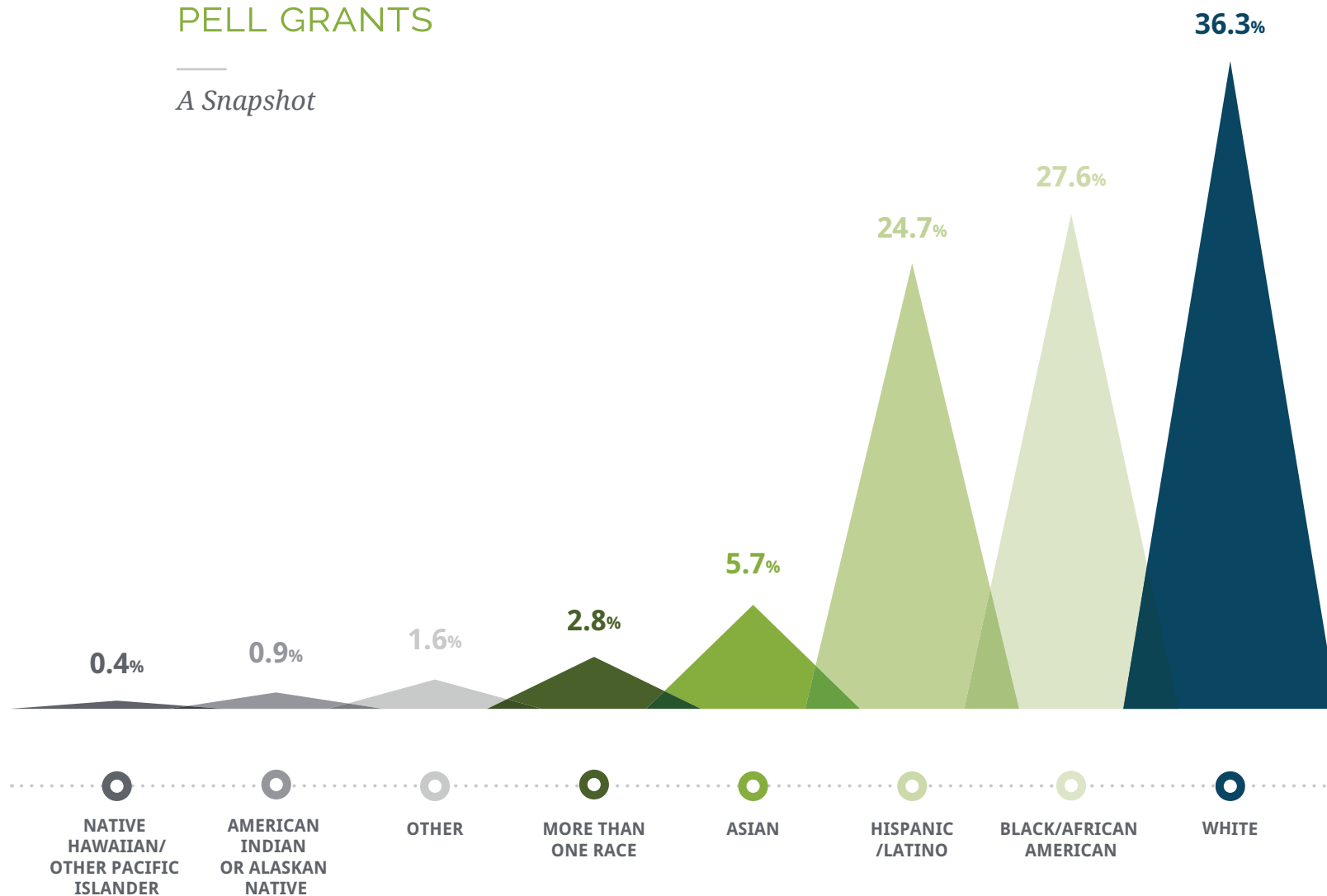
The 20 thought-provoking essays in this collection were written by college presidents, professors, and deans, a high school principal, education research scholars, foundation heads, current and former U.S. Department of Education leaders, a college access program director, and a student activist, among others. Many of the contributors are former Pell Grant recipients who provide intimate insights about the concrete ways the Pell Grants changed their lives and those of others. The reflections are divided into two thematic sections as either being primarily personal or historical or policy-oriented. However, throughout the essays, the authors share critical insights ranging from how the Pell Grants are a “gift of hope,” why the Pell is the “epitome of good policy,” to defining the Pell Grants’ tangible return on

investment and the way in which the creation of this program represents a recognition of our new global reality. The writers also grapple with the erosion of Pell Grants’ purchasing power, the implications of viewing students as numbers, and the role of student activism in sustaining the relevance of the Pell Grant. They thoughtfully consider what it means to protect the value and integrity of Pell Grants, offer ways to make Pell Grants more efficient, and call on the federal government to adequately fund support programs for Pell Grant students and more.

These reflections are creative, critical, and forward thinking. They should cause you to pause and consider how we can ensure that we will be commemorating the Pell Grants for years to come. For this to happen, no future legislative, regulatory, or institutional policies about the Pell Grant should be made without the consideration of the range of perspectives captured by these passionate and constructive reflections.

## WHO RECIEVES PELL GRANTS

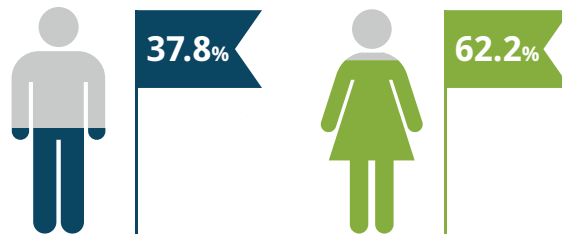
*A Snapshot*



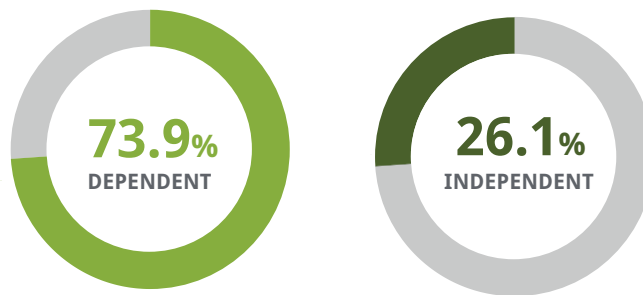
**PELL RECIPIENTS BY RACE/ETHNICITY**



## GENDER



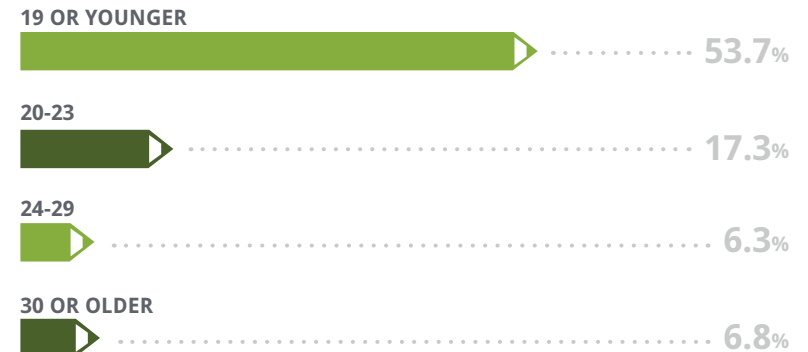
## DEPENDENCY



## PARENTS' HIGHEST EDUCATION



## AGE



## FIRST INSTITUTION TYPE ATTENDED



**SOURCE:** U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).



# Personal Facts Reflections

A photograph of graduates in black caps and gowns with white stoles, seen from behind. A large, white, stylized infinity symbol is overlaid on the image, centered behind the text.







# The BEOG and Me

*My name is Karen Boran, Ed.D., and  
my father was a farm worker.*

KAREN BORAN,  
Ed.D.

PRINCIPAL

John Hancock College  
Preparatory High School

In the late 50s and early 60s, my family moved from farm to farm—that would be my father and mother, my four older brothers, three younger brothers, two older sisters, and me. It was a great life: we ran those woods as tribes, constructed complicated forts in haymows, and held board game marathons every time it rained.

Books were stacked like columns in front of my parents' mismatched book-shelves, on tables, and along bed-stands. They read, we read, and then we talked. We talked and laughed and told more stories. I grew up literate, I grew up in a great jumble of people who spent a lot of time laughing, and never throughout the first ten years of my life did I know I was poor.

I remember the day my father found a job in a factory and suddenly we had insurance. We lost,

...not only was education the way out, education  
was the only possible way out for me.

however, our free milk, beef, vegetables, housing, and gas. Although we were now blue-collar, with benefits, we were now really poor. My mom assures





me we were before, but when I talk to my brothers and sisters, none of us remember. Once we moved to Lake Geneva, however, I remember poor. I remember powdered milk, government cheese, and the foul monstrosity called government peanut butter. My mom cut my hair and I wore hand-me-downs.

That's when it really dawned on me—during those very tough and formative middle school years—that not only was education the way out, education was the only possible way out for me. I wasn't tall and graceful, my only vocal talent was volume, and I had bad hair. My older siblings chose the military (it was the Vietnam War). That didn't seem like the best path for me; I liked to ask too many questions. I knew I had to go on to college; I also knew my parents weren't going to be able to help.

Skip forward to 1975, my senior year at Lake Geneva Badger High School, where I was 10th in my class. My counselor, who I never remembered before that moment, popped up before me in the hallway and said, "Karen, you're smart. Want to go to college?" He helped me understand that there was free money to go to school for poor kids like me—the Basic Educational Opportunity Grant (then the BEOGs, now the Pell Grants), which made possible my excellent education at the University of Wisconsin-Madison. It was 1980, and I now had the ticket to my future—a degree from a good university. I completed college with only \$3,600 owed, a sum I paid back over the next ten years, at a rate of \$33 per month: a price tag I could manage.

I was so very, very lucky. I went to excellent neighborhood schools throughout my education. My

family was close—still is close. My parents found a way for one or the other to be at everything. Did I mention everything? With 10 kids? Most importantly, the money to invest in the promise of my future was there for me. Me: a smart, poor kid. There were no strings attached, except that somewhere, someone had thought that I was worth this life-changing gift. I knew I had better not mess this up. Later, I learned that the someone, somewhere was Senator Claiborne Pell, a rich man from a small state on the East Coast, who didn't know me, my family, or my dreams. But he believed in the potential of kids like me, and convinced other powerful people who didn't know me to invest in me (and millions of other poor kids over the years), and suddenly I was going to college.

That didn't mean I didn't have several jobs simultaneously in school. That didn't mean it didn't

I had the gift of hope from someone who didn't even know me and I took advantage of it.

take me five years. It didn't mean it wasn't hard. It means the BEOG made it possible. I had the gift of hope from someone who didn't even know me, and I took advantage of it.

And what was the return on that investment? I have spent my career working with teachers to teach content area reading in the lowest-performing high schools in Chicago. I became a reading specialist. I have a doctorate in reading. I was a High School Area Reading Coach, the Manager of High School Reading for Chicago Public Schools, the Director of High

School Curriculum (English, math, and science) for CPS, and now I'm now the principal of John Hancock College Preparatory High School, where I'd been the assistant principal for two years.

Hancock is a small, neighborhood high school on Chicago's southwest side with a 93% Latino and 94% low-income student body. This is a school with college in its name, and the people in the neighborhood, like the parents of the high school I attended, want their children to succeed in college and career.

Our students are going to college at ever-increasing rates because of the good work of the men and women in the Hancock community, school, and classrooms. Over the years, Hancock's principal has organized our school focus with laser-like precision: these young men and women have the intellectual capital to be fully prepared for college and career success, and everything we do is aligned to ensure that success. Our college-going rates have increased from 35.9% in 2009 to 51.5% in 2011 (the last year we have data available).

And how are these bright young men and women and their families paying for college? Our fine counseling staff leverages the federal and state grants (such as the Pell) given to our students with scholarship funding: in 2008, Hancock seniors won only \$5,000 worth of scholarships, and in 2012, \$5.6 million. Pell Grants serve as a rock-solid base for this work to occur for millions of students in high schools like mine across the country. Pell Grants are the lever that allows all these kids with such promising

futures to access postsecondary education and become who they were meant to be.

Nothing could be more important to the future of this country than the investment in the bright young men and women in our neighborhood public schools. The Pell Grants of today make hope possible for my students as they surmount the barriers of college going, from cajoling their parents into completing FASFA forms, to explaining that they've won a scholarship to an excellent university and they'll be leaving home for school—for the first time in any generation of the family.

The parents of Hancock students, like parents across the country, have poured their hearts and souls into nurturing these caring young spirits to do the right thing—to work hard, to keep an eye on the prize, and once out in the world, live a full and happy, productive life. Education is a way out now, just like it was for me almost 40 years ago.

That's what Pell Grants have done for me. My undergraduate degree was the ticket I needed to live my life educated, experienced, and ready to lead. Pell Grants continue to pour the same kind of blessings on the lives of millions of recipients and their families not just now, but for years to come. I owe my future, and the future of my family, in part, to Senator Pell and the men and women of the United States Congress who didn't even know me but invested in me anyway.

Thank you. Really. Thank you.

# The Profound Value of the Pell Grant

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*Anyone familiar with the Pell Grant is aware that it carries financial value, but few know its deeper and more meaningful worth.*

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VICKIE CHOITZ

SENIOR POLICY ANALYST

Center for Law and  
Social Policy (CLASP)

Over the past four decades, Pell Grants have helped more than 60 million low- and modest-income students access and afford college and other postsecondary education. Twenty years ago, I was one of those students. For me and millions of other Pell Grant recipients, the Pell Grant’s power goes far deeper than financial aid. It validates and reassures first-generation students pioneering into the unfamiliar terrain of higher education that they are not alone, that they can achieve a credential, that they are worthy of a college education, and that their nation believes in their ambitions. The Pell Grant helps to fund postsecondary education, but it buys much more—it gives low- and modest-income students hope that they can succeed in higher education and excel beyond the previous generation.

I was the first in my family to go to college. Neither of my parents had the experience to advise me on how to choose a college, apply for financial aid, or select a major. They certainly did not have the ability to help me pay for college since they were struggling with money problems of their own. I was on my own, and it felt like traveling alone in a foreign land without knowing the language or having access to a bank or an embassy. But when I saw the Pell Grant on my financial aid letter, I realized that I was not alone after all. The federal government—the nation—was on my side and willing to invest in me as I tackled economic and academic challenges and worked hard to earn a bachelor’s degree.

But the entire worth of the Pell Grant was not totally evident until I almost lost it. I was what is known as an “independent student”—I was financially independent

from my parents, which I had been since I was 16 years old. However, part way through my education, Congress decided to change the definition of an independent student. Even though I was financially independent from my parents in every way—even estranged from my father—Congress decided that I and other students like me were, in fact, students “dependent” on our parents. Congress assumed that I could simply apply as a dependent student with my parents, but that was not an option, which meant I would lose my Pell Grant. It was devastating, and I thought that I might have to drop out because I was already maxed out on loans and working as much as possible without endangering my grades. Luckily, I was able to appeal and my grant was reinstated, but I felt a little betrayed by Congress, which clearly did not understand my economic reality.

During this ordeal, I kept wondering if what Congress had done was really what the American taxpayers would have wanted. I was a kid who played by the

I felt a little betrayed by Congress, which clearly did not understand my economic reality.

rules. Statistically, I should have been a teen mom or a high school dropout given the dysfunction my family had been through. However, I had good grades, was on a state championship high school debate team, and had worked part-time jobs to support myself through high school and college. Surely my fellow Americans would not have thought it right that any student would deserve such an

I was on my own, and it felt like traveling alone in a foreign land without knowing the language or having access to a bank or an embassy.

undercutting—especially with the Pell Grant, which is a concrete way that we as a country demonstrate our support for equal opportunity to achieve the American Dream.

Today, I fear that Congress is poised to repeat this devastation, but on a grander scale. Over the last few years, the Pell Grant program has grown to assist 50 percent more students, partly due to the recent recession—the deepest economic downturn since the Great Depression—and partly due to bipartisan changes by Congress to help the program assist more students in need. However, as the program has done its job of improving postsecondary access and affordability, many inside and outside of Congress only see the larger budget figure and are determined to roll back the size of the program to pre-recessionary levels. Although official projections indicate a leveling of program expenditures over the next decade, these members of Congress and others advocating cuts refuse to accept the new equilibrium in the program and are content to cut grants and student eligibility. Nontraditional, working, and independent students are the most in danger.

Having been a student who faced such cuts, I am terrified of the effects they could have on the low-income and often first-generation students who rely on Pell Grants for financial and motivational

support. Will a deep cut or elimination of the Pell Grant be the final blow in the barrage of personal and financial challenges they have overcome to get this far? Will it completely derail their education and their best chance to end the cycle of poverty in their family? Will it abruptly end their journey toward the American Dream of earning a better living than the previous generation and enjoying economic security?

A postsecondary education has become a prerequisite for entering the middle class. This is why colleges are seeing more nontraditional students, including more low-income, minority, first-generation, older, working, and student parents seeking postsecondary credentials. The latest data show that 36 percent of all undergraduates are age 25 or older, 47 percent are independent from their parents, 36 percent are minority, 40 percent are low-income, 32 percent are employed full-time, and 23 percent are parents.

As income and wealth inequality widen in this country and college prices rise, low- and modest-income students become relatively more low-income compared to their better-off peers. This increases the

Surely my fellow Americans would not have thought it right that any student would deserve such an undercutting—especially with the Pell Grant, which is a concrete way that we as a country demonstrate our support for equal opportunity to achieve the American Dream.

size of the pool of students eligible for Pell Grants. From 1989 to 2010, real wages for high school-educated workers in the private sector grew by just 4.8 percent, compared with college graduates in the private sector whose real wages grew by 19.4 percent. Half of all jobs in America pay less than \$34,000 per year (based on full-time, full-year). This creates a rather large pool of low-income people who deservedly qualify for Pell Grants as they pursue a postsecondary education. The latest data show that, indeed, the Pell Grant is assisting exactly the low-income people in this range: in 2010–2011, 74 percent of Pell Grant recipients had family incomes of \$30,000 or less.

The bottom line is that more students with lower real incomes are seeking postsecondary education to support their families. Without Pell Grants and other student aid, their ships will sink rather than rise as the economy slowly recovers.

I am proud to be counted among over 60 million Pell alumni—or “Pellumni.” I know that they would join me in this wish for the Pell Grant program in its 40th year: That it be there for future generations of low- and modest-income students, just as it was there for us. Happy Birthday, Pell.





STUDENT ACTIVISM IN  
PROMOTING ECONOMIC DIVERSITY:

## The Continued Relevance of Pell



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SPENCER ELDRED

---

DIRECTOR OF POLICY &  
PROGRAM DEVELOPMENT

United for Undergraduate Socio-  
Economic Diversity (U/FUSED)



## *Forty years ago, Pell Grants transformed America.*

They turned the college education into a goal anyone could aspire to achieve, no longer the outpost of those born into wealth. When my parents were growing up in Southern California, college was only a dream. Their parents had not attended college. They thought they would never go to college as well. The best means they could hope to realize the American Dream, or, rather, to survive on their own, was to graduate high school and take up a trade fitting their social and economic origins. However much they wanted to go to college, they knew they could never afford it. Their parents could not afford to send them to school. My parents' lack of financial assets barred them from loans.

My parents, in their good fortune, lived on the edge of a great turning point in education, one that had started years earlier. Changes began in the 1940s and 1950s with the influx of veterans into colleges. Student activism in the 1960s and the Higher Education Act of 1965 sent a signal to the American

people that colleges acted as a cradle for both our democratic ideals and entrepreneurial spirit. Americans believed that those willing to learn and work hard deserved the chance to reach their full potential through a college education.

In 1972, America changed. College became accessible for Americans of all backgrounds with the arrival of what would become the Pell Grant. In 1972, the year my father graduated high school, the Higher Education Amendments expanded the American Dream. My parents realized, like many other young students, that they could attend college despite the lack of financial support at home. This new development revolutionized the idea of opportunity.

My father decided to become a science teacher. He would never have set foot in a college classroom without the Pell Grant. The next year, my mother, the oldest of five children, whose parents both lacked a high school education at the time, decided she could go to college as well, even without her parents'

Thanks to Pell Grants, the American outlook on education incorporates a belief that a college education should belong to anyone willing to put in the effort. Higher education provides one of the most promising roads to fulfilling the American Dream, which American society believes is worth the fight.

financial support. With a Pell Grant and some odd jobs to make ends meet, both my parents received college degrees and their tickets to the middle class.

The Pell Grant changed America for the better. It turned the dream of a college education into a reality. Many Americans can offer stories similar to those of my parents, who only attended college because of the Pell Grant. Pell Grant educations change many more lives than the number of recipients who receive the grants. Former Pell Grant recipients form the backbone of the many professions that require a college degree. Without Pell Grants 40 years ago, the national economy would have stagnated and declined into the backwaters long ago.

Forty years ago, Pell Grants gave my parents an education. While the cost of education has grown faster than the grant's ability to cover college costs, the Pell Grant continues to be the lifeline of college access for many students. Pell Grants provide more than a subsidy to students in need. Pell Grants allow schools to look beyond class and educate those from middle- and lower-income backgrounds. For recipients, in an age in which personal wealth seems to be all that matters, Pell Grants validate these students' places on campus. For their fellow students, Pell Grants allow students who are not from the privileged socioeconomic strata to work, study, and play as equals in and out of the classroom. Pell Grants bring Americans together and allow merit and resolve, not solely socioeconomic background, roles in determining educational achievement.

Pell Grants have promoted economic diversity in higher education. Students, parents, schools, and communities have noticed and embraced this change. Thanks to Pell Grants, the American outlook on education incorporates a belief that a college

education should belong to anyone willing to put in the effort. Higher education provides one of the most promising roads to fulfilling the American Dream, which American society believes is worth the fight. While the grants today cannot replace most loans related to education, they paved the way for other government programs at all levels and for major university financial aid campaigns to further the fight for education. With more students eligible to attend college, the quality of American universities has improved. Before Pell, only a small segment of the population could attend. With broader admissions across race and gender, supported with Pell Grant funds, American university systems have grown to support national ambitions. A larger eligible student population led to a larger talent pool from which schools could admit students and a greater eligible population base to support the growth of both public and private institutions of higher learning.

Former Pell Grant recipients form the backbone of the many professions that require a college degree.

Thanks to the Pell Grant, students like me grew up believing that college would be accessible to anyone who desired to attend. Students from diverse economic backgrounds are no longer novelties. Universities define themselves through their student bodies, and universities today have diverse student bodies. Pell Grants brought students to higher education in mass from middle and lower economic backgrounds. This not only improved the overall quality of education

but also students' ability to understand the realities families of all backgrounds face. Students today value and are willing to fight for this diversity.

Student activism plays important roles in the nation's struggles for equality and fairness. Students fought and continue to fight for equality across races, religions, genders, and sexual orientations. Colleges and universities bring together students of all backgrounds and—with education as the catalyst—these students notice and speak out against injustices. Now, students are speaking out against threats to the economic diversity, a hope for all Americans that the Pell Grant made a reality. When schools, states, or the federal government announce budget cuts or tuition increases, students rally to keep our schools economically diverse. While there have been gains and setbacks in the struggle for economic diversity, the Pell Grant defines this struggle.

Students and schools use Pell Grants as a proxy to judge economic diversity at a school. While students sometimes have difficulty mobilizing around an issue, threats to the Pell Grant galvanize student activism across the political spectrum, for recipients and non-recipients. Students realize the importance of ensuring that all students dedicated to their own education can attend college. Students and schools still view Pell Grants, with good reason, as the core safety net for keeping college accessible. Pell Grants remain the hallmark measure of economic diversity because small changes in grant eligibility shake the national education community, from enrollment numbers to the student debt burden.

Student activism to preserve economic diversity takes many forms. Some students take individual action, reaching out to low-income communities as volunteers for college admissions, explaining financial aid forms, and tutoring students of all ages. Some students work

With broader admissions across race and gender, supported with Pell Grant funds, American university systems grew to support national ambitions.

closely with administrators and faculty at a university to increase economic diversity and make students feel welcome regardless of economic background.

Examples of organized student efforts exist across the country. Students at the University of Illinois-Chicago (UIC) have made a major impact by working with their administration over this past year. At UIC, a large public university, many students come from lower-income backgrounds, and 40 percent of UIC students receive Pell Grants. A key component of UIC's mission dedicates the university to provide education access and support for a socioeconomically diverse student body. However, yearly tuition increases and declining state support have challenged UIC's ability to fulfill this commitment. In response, teams of UIC students work to improve campus financial literacy, economic awareness, and an expanding variety of diversity programming. UIC students do not face any challenge to access with apathy, but rather engagement.

At Duke University, St. Louis University, and Washington University in St. Louis, the student governments worked to found U/FUSED (United for Undergraduate Socio-Economic Diversity), now a national network of student organizations combining efforts to promote economic diversity within schools. These student enterprises take multiple forms. For example, students at Washington University in St. Louis collaborate with their admissions and financial aid offices to improve outreach to lower-income students. Students at Smith College have held numerous conversations and workshops focused on socioeconomic diversity and class issues.

Throughout the recent financial crisis, legislators have attempted to slash budgets through cutting the Pell Grant and similar programs. Student groups across the country rallied to save our most important aid programs. Students made their opinions known

In a time of increasingly divisive politics, national student groups can speak with one coordinated voice on the value of Pell Grants. Students recognize that these grants did not last 40 years out of sheer habit; Pell Grants change lives and repay their cost many times over.

and the political machinery listened. Student activism is also changing in fundamental ways. National student-led student advocacy groups have banded together to unite for common causes in the wake of recent challenges to the Pell Grant and similar programs in the new Coalition of Student Advocates (COSA). In a time of increasingly divisive

politics, national student groups can speak with one coordinated voice on the value of Pell Grants. Students recognize that these grants did not last 40 years out of sheer habit; Pell Grants change lives and repay their cost many times over.

Student advocacy can be both incredibly empowering and effective. The conversation revolving around socioeconomic diversity should involve all students, regardless of their individual level of financial need. Students have unique perspectives on their needs and those at their institutions. Everyone should have the opportunity

to graduate from college, and current students are key players in making that dream a reality.

However, this dream is not new. It became part of the American Dream 40 years ago with the Pell Grant, changing lives every day. Students throughout the country attend inclusive and dramatically more accessible schools because of programs like the Pell Grant.

While rising education costs and a weak economy present challenges to national aspirations for educational access, the Pell Grant serves as model of American values and the roots of student activism.



THE PELL GRANT:

## A Signal of Value

*The Pell Grant program is a tool to assist in the democratization of postsecondary opportunity embodied in the Morrill Act of 1862.*

CHRISTOPHER M.  
MULLIN, Ph.D.

PROGRAM DIRECTOR  
FOR POLICY ANALYSIS

American Association of  
Community Colleges

It is targeted to address the financial barriers to college participation brought to the forefront by the Truman Commission's report Higher Education for American Democracy in 1947. At its core, the Pell Grant program seeks to empower students whose lineage neither afforded nor destined their participation in education beyond compulsory schooling.

While some believe postsecondary education functions as a free market in which students choose between an unlimited number of options, others understand that people have an identity that is derived from their experiences and the communities in which they live—a social construction of reality and, concomitantly, opportunity. The theory of adaptive preference suggests:

*That in choosing what they will do, how they will spend their time or resources or what kind of life they will lead, people are affected by or take into account, for example, what they can afford, the likely responses*

*of others to their choice, and the values and practices which shape them and the communities in which they live. They must do this more or less self-consciously—in some cases with little awareness of the ways in which these factors have circumscribed their choice. They may experience their decision as a free choice, but it is one which has been adapted to the limited options set by their circumstances (emphasis added; Bridges, 2006, pp.15-16).*

It is through this lens, I believe, that the importance of the program is best understood. As a former Pell Grant recipient myself, I understand this message firsthand. Through my own experiences and years teaching in low-income and affluent compulsory schools I have come to find it is individual circumstance that frames the opportunities available to us. As a child, did you have a comfortable bed to sleep in or did you sleep in a bathtub because bullets could not penetrate its cast

While some believe postsecondary education functions as a free market in which students choose between an unlimited number of options, others understand that people have an identity that is derived from their experiences and the communities in which they live—a social construction of reality and, concomitantly, opportunity.

iron frame? As an adolescent, did someone expose you to possibilities or reinforce limitations? Did you attend a high school with a college-going culture or did your high school continually fail adequately yearly progress? If you answered yes to the latter part of





these questions, or others like them, you understand the limitations of circumstance.

The Pell Grant program sends a clear message that the struggles and challenges that envelope one's existence need not restrict the desire to move beyond them. That each member of society has an inherent value and that that value—which may be lying dormant—can and must be exposed to an environment where it may be identified and fostered for the betterment of the economy, community, one's self, and future generations.

I suggest it is this omnipresent yet unspoken concept of value that underpins the investment strategy of the Pell Grant. In fact, the idea of reinforcing a student's value by expressly investing in them is not

limited to low-income students. A part of the rise in tuition discounting is the message it sends to the recipient: You have value!

Yet a temptation exists to assign value rather than attribute it. This tension is not new; rather, it has been present in various evolutions of educational policy and practice. Take, for example, the development of the SAT, which was, after some debate, explicitly developed to be an aptitude, not achievement, test (Lemann, 2000).

Participation in the Pell Grant program was not conceived to limit opportunity to those destined to succeed; in fact, it was quite the opposite. It is a capacity-building program.

## REFERENCES

Bridges, D. (2006). Adaptive preference, justice and identity in the context of widening participation in higher education, *Ethics and Education*, 1(1), 15–28.

Lemann, N. (2000). *The big test: The secret history of the American meritocracy*. New York: Farrar, Straus, and Giroux.

The potential value of all people is a cornerstone of the American ethos embedded in the Declaration of Independence: that all people are created equal. Participation in the Pell Grant program was not conceived to limit opportunity to those destined to succeed; in fact, it was quite the opposite. It is a capacity-building program. Unfortunately, we are seeing policy actions and research interest grounded in the value of the student in terms of their probability of meeting some level of attainment rather than seeing each prospective student as an asset fostered by the institution and needed by the workforce.

As the program refines itself 40 years after its creation, it serves our nation well to think of what is possible, rather than shying away from the unknown in search of the probable. The investments made in students through the Pell Grant are an expression of value to the student and a commitment to a democratic nation perpetuated by an educated citizenry.

# Give 'em Hell... Give 'em Pell for Another 40 Years!

*I am particularly honored to recognize this milestone of the Pell Grants as a vehicle for social justice because I was a part of a bit of social justice history in Memphis, TN.*

DEBORAH  
NORTHCROSS

EXECUTIVE DIRECTOR

SAEOPP Center (Southeastern  
Association of Educational  
Opportunity Program Personnel)

And it is this experience which grounded me in the work that I have enjoyed for 34 years supporting first-generation, low-income students. I still enjoy training the staff who work with these students today.

It was over 40 years ago, 52 in fact, that I was a plaintiff in the lawsuit to desegregate the Memphis City Schools. The lawsuit, Deborah A. Northcross et al vs. The Board of Education of the Memphis City Schools, was filed in 1960 (six years after the landmark Brown decision) because the Memphis school district was not acting with “all deliberate speed” to integrate its schools. Although, in some

circles, there was a prevailing sentiment that the Black and White schools were separate but equal—but that was not really the case.

At 9 years old, my recollection of all of the legal proceedings in court is sketchy at best. But, in my young mind, I did understand that there was a prevailing unfairness with respect to the conditions in which “Negro” children (we were Negroes at that time) were being educated. The buildings were not well-maintained and the books were “used” from the schools that White students attended. In my young mind, this lawsuit that caused me to be named a plaintiff would in the long run level the playing



WARREN K. LEFFLER. SIGNING  
OF THE CIVIL RIGHTS ACT.  
APRIL 11, 1968.

field. The impact of the lawsuit was that the school district was eventually integrated—but not without pushback and several court-ordered plans.

On a personal note, it was interesting to me that desegregation often gave Whites the impression that Blacks just wanted to be around them—and that was not the point at all. It was more a matter of choice and educational equity. In other words, all children should be able to attend a school of their choice with the same resources.

As an aside, I find it interesting that even more than one half century after the Brown decision, the issue of outlawing segregation somehow remains on education's radar screen, but the terms often change; we now hear Diversity, Affirmative Action, Educational Access, Equal Educational Opportunity... those concepts for which I still work today.

But again, what I believe to be the social justice impact of desegregation is choice and educational equity. As we celebrate the 40th anniversary of the Pell Grants, I would characterize its impact similarly. I have worked with first-generation, low-income students in the TRIO Programs for at least 34 years and have seen the Pell Grants provide them with the opportunity to make a choice to pursue higher education, a step that would put them on par with more advantaged students. One of the joys of my work history has been witnessing the rewards that Pell recipients receive because of the grants.

At 40 years old, the Pell Grants continue to provide the impetus to propel students to degrees and careers

beyond their imagination. Pell has been a perfect partner with programs like TRIO and other support services to be a game changer in students' lives. In other words, the Pell Grants assist in getting students into postsecondary education, and the support services keep them in postsecondary education. And although such a partnership clearly supports the Obama Administration's goal of leading the world in college graduates by 2020, there are those in Washington who say the growth of the Pell Grants and support services like TRIO Programs cannot continue.

With increasing college costs and high interest rates on student loans, the importance of the Pell Grants has certainly not diminished; it remains an integral part of a financial aid package, although it does not

I have worked with first-generation, low-income students in the TRIO Programs for at least 34 years and have seen the Pell Grants provide them with the opportunity to make a choice to pursue higher education, a step that would put them on par with more advantaged students.

cover as much of a student's college expenses as it used to. The maximum Pell Grant today covers only about one-third of the cost of attending a public four-year college; 30 years ago it covered three-quarters of the cost. Reportedly, since the early 1980s, tuition and fees have increased by 538%, beating out inflation (at 118%) and health care costs (at 288%). That is pretty unbelievable! I even heard recently

that our state Board of Regents was to vote on a 7% increase in tuition and fees for next year!

So, on the occasion of the 40th anniversary of the Pell Grants, what I know for sure is:

- The Pell Grants program was a powerful weapon in the War on Poverty
- The Pell Grants program was and is a social justice strategy that has moved students from social dependence to independence, to become self-supporting contributors to society and the economy

And for these reasons, I would rally a call to "Give 'em Hell...Give 'em Pell" for another 40 years!



TARGETING STUDENTS WITH FINANCIAL NEED:

## The Pell Grants' Greatest Strength

*Like millions of other students, financial aid played a critical role in my college enrollment processes and decisions.*

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LAURA W. PERNA

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PROFESSOR

University of Pennsylvania

A high-achieving high school student, I had high educational aspirations. My parents were extremely supportive and encouraging, but the ability to pay the costs of attendance was a real concern, especially as I was the oldest of four children and we all expected to attend college. My family and I had little direct knowledge of how to navigate the complexities of student financial aid and we received little useful guidance or information from the high school counselor. As a result, we had little understanding of the nuances that differentiated the several different awards that appeared on my financial aid notification letters. But I was very aware of how valuable grants were in a package that also included student and parental loans—money we repaid over many years—and work study—money I earned through hard labor in my position in the dining hall. I had no idea that the federal and institutional grants I received were awarded based on my family's





financial need. I only knew that these grants made my enrollment as an undergraduate at the University of Pennsylvania possible.

Clearly my story is not unique. The conclusion that “money” mattered to my own college enrollment, choice, persistence, and other college-related experiences is consistent with what has been well-established by many researchers: need-based grants are positively associated with a host of college-related outcomes, and the positive effects of need-based grants are greater for students with lower rather than higher family incomes. Isolating the benefits of Pell Grants specifically has been a

I had no idea that the federal and institutional grants I received were awarded based on my family's financial need. I only knew that these grants made my enrollment as an undergraduate at the University of Pennsylvania possible.

challenge for researchers. Yet the importance of federal Pell Grants is implied by the reality that they are the foundation of need-based grant aid. According to the College Board's 2011 Trends in Student Aid report, Pell Grants represented 20 percent of all aid, and 37 percent of all grant aid, received by undergraduates nationwide in 2010–11.

The targeting of Pell Grants to students with the lowest family incomes is one of the program's greatest strengths. According to the College Board, about two-thirds of dependent undergraduates with family incomes below \$30,000 received Pell Grants

in 2007–08, compared with fewer than one percent of dependent undergraduates with family incomes exceeding \$60,000. The targeting of Pell Grants based on financial need has been an important counter-balance to the trend of awarding state and institutional financial aid based on non-need-based criteria, particularly narrow measures of academic achievement. Although most state and institutional grant dollars continue to be awarded based on financial need, the share of these dollars awarded based on non-need criteria has grown over time.

The continued targeting of Pell Grants based on financial need is essential, given the many direct financial realities that limit the ability of students from low-income families to pay college costs through earnings, savings, or other sources. Students from low-income families also face other difficulties in their path into and through college, given the positive correlation between family income and a wide range of other resources that are known to promote college enrollment, choice, and success, including access to high-quality and academically rigorous high school courses, shared understanding of the expectations of college (i.e., cultural capital), and access to information about how to optimally navigate the many dimensions of college life (i.e., social capital). Moreover, students from low-income families are often less willing than other students to use loans to pay college costs. This aversion to loans is often appropriate, given the risks involved with borrowing, especially when students are the first in their families to attend college and have relatively low levels of academic achievement and preparation.





Without Pell Grants and other need-based grant aid, even more students from low-income families would be working long hours each week in off-campus jobs, a behavior that increases time to completion, reduces time for engagement in academic and extracurricular activities on campus, and reduces the likelihood of degree completion.

The Pell Grant program is not without its challenges. Eligibility criteria remain opaque, and application procedures are cumbersome. Often students do not know that they will receive a Pell Grant until after they have completed many other steps, including applying

But, efforts to determine the future role of the Pell Grant must recognize the undeniable contributions that the program has made to promoting college access, choice, and success of countless students over the past 40 years.

for and being admitted to a college or university and completing the federal financial aid application form. Many students and their families lack early information and understanding of financial aid, thereby limiting the extent to which Pell Grants and other sources of financial aid can serve to effectively promote other college-related behaviors such as taking academically rigorous coursework. The lack of understanding is particularly great among those who would benefit most from being more knowledgeable. But, high school counselors are often unable to provide the required information due to high student-to counselor ratios, countless non-college-related pulls

on their finite time, and their own lack of knowledge about financial aid programs and processes.

The Pell Grant program has also experienced challenges over time in sustaining its purchasing power. According to the College Board, the maximum and average Pell Grants were higher in constant dollars in 2010–11 than at any point in the past three decades. But, reflecting an even faster rate of growth in the cost of attendance, the maximum Pell Grant represented just 32 percent of tuition, fees, room, and board at public four-year institutions and 14 percent at private non-profit four-year institutions in 2011–12, down from 42 percent and 16 percent respectively in 2001–02. Moreover, reflecting a substantial increase in the number of Pell Grant recipients, total Pell Grant expenditures nearly doubled between 2008–09 and 2010–11 in constant dollars—a trend that is likely not sustainable given constraints on the availability of federal resources. The College Board reports that more than one-third (35 percent) of undergraduates received Pell Grants in 2010–11, up from just 20 percent in 2000–01.

Clearly, the Pell Grant alone is insufficient to ensure college enrollment, choice, and persistence to degree completion for low-income students, as other forces, including academic preparation and achievement, support and encouragements, and information, are also critical. Moreover, the program structure has limitations as efforts to target available dollars on the most financially-needy students also come at the expense of limiting early information about eligibility for the aid. But efforts to determine the

future role of the Pell Grant must recognize the undeniable contributions that the program has made to promoting college access, choice, and success of countless students over the past 40 years. Although some programmatic changes will likely be required to meet federal expenditure constraints, the Pell Grant's primary contribution—reducing the financial barriers that limit educational opportunity for students from low-income families—must be preserved.

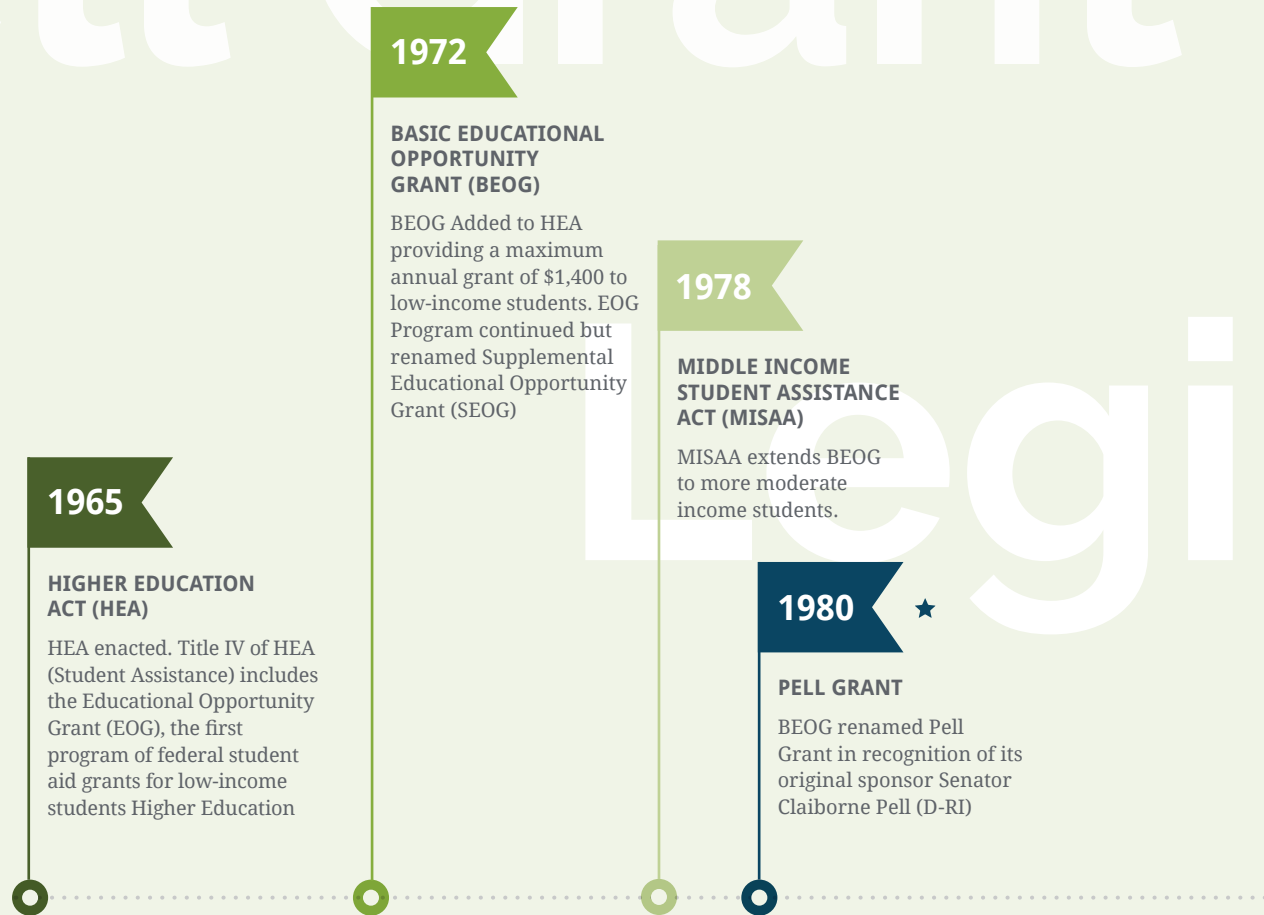






# History, Facts, Policy Recom- mendations

# Pell Grant





**1992****HEA AMENDMENTS**

HEA amendments introduce the Free Application for Federal Student Aid (FAFSA)

**1994****PELL GRANT EXCLUSIONS**

Violent Crime Control and Law Enforcement Act excludes federal and state inmates from the Pell Grant program

**2010****HEALTH CARE & EDUCATION RECONCILIATION**

Health Care and Education Reconciliation Act eliminates the federally-guaranteed student loan program (FFELP) and directed part of the savings to make permanent the increased Pell Grant annual maximum and indexed the maximum to the Consumer Price Index

**2007****PELL GRANT ANNUAL INCREASE**

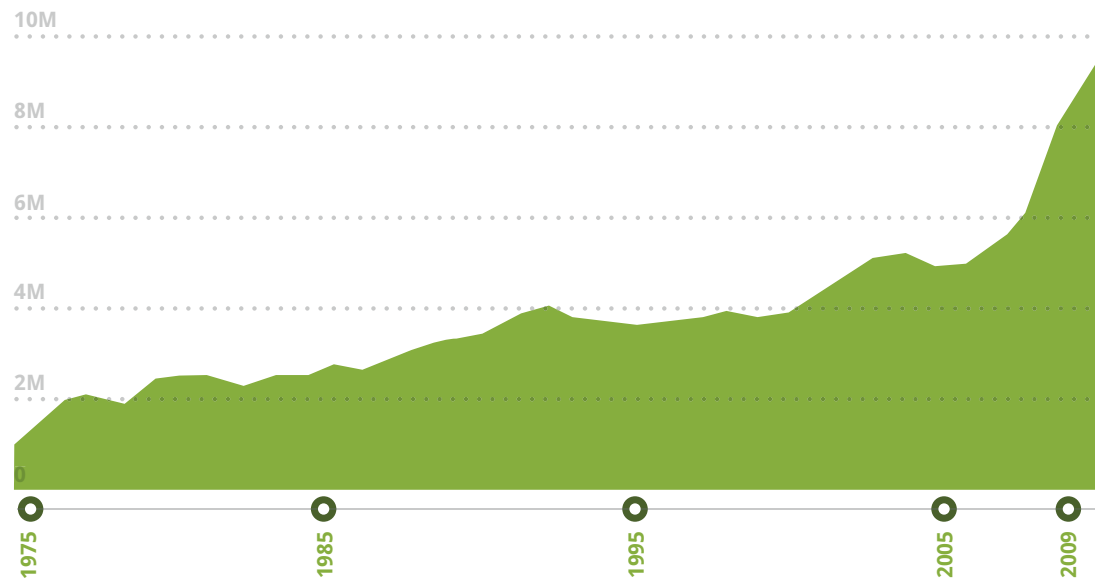
College Cost Reduction and Access Act increases the annual maximum Pell Grant to \$5,400 for 2012-13

**2012****40<sup>TH</sup> ANNIVERSARY**

Pell Grant 40<sup>th</sup> anniversary; over 150 million Pell Grants awarded to students who would not otherwise have the opportunity to attend college. House FY12 Appropriations Bill Cuts Pell Grants by \$44 Billion

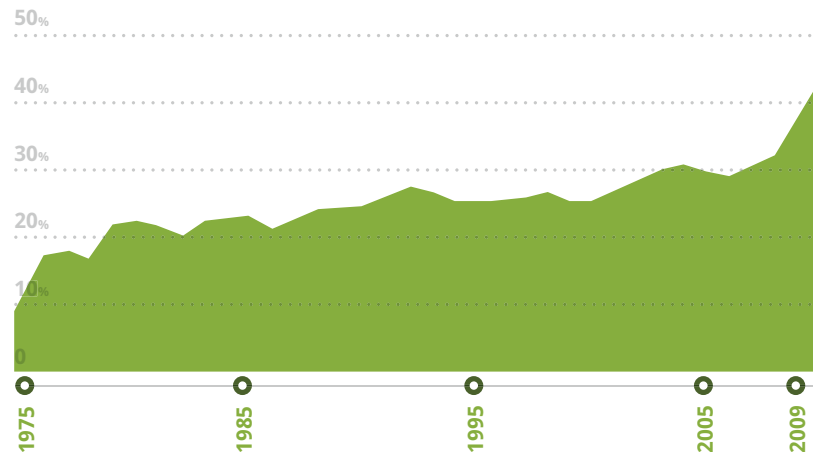
## TRENDS IN RECEIPT OF PELL GRANTS AND PERCENTAGE OF COSTS COVERED

**NUMBER PELL RECIPIENTS SINCE 1973-74**



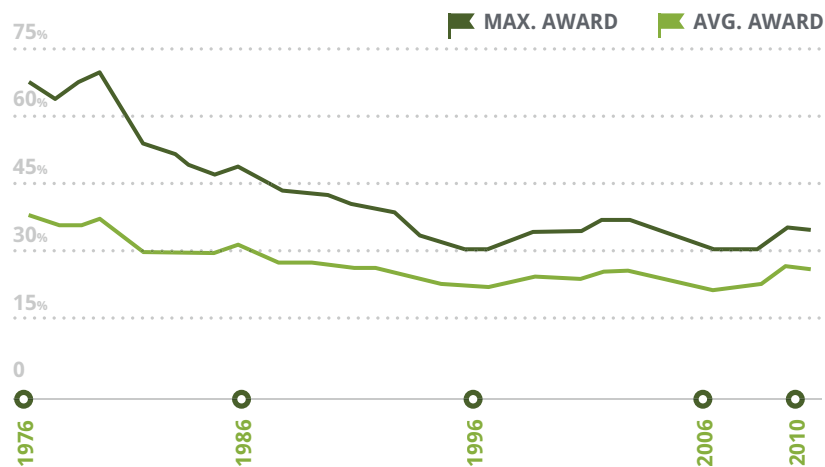
**SOURCE:** U.S. Department of Education, 2010-2011  
Federal Pell Grant End-of-Year Report

## PERCENTAGE UNDERGRADUATES RECEIVING PELL GRANTS



**SOURCE:** U.S. Department of Education, 2010-2011 Federal Pell Grant End-of-Year Report; U.S. Department of Education, National Center for Education Statistics, Opening Fall Enrollment in Higher Education, 1965; Higher Education General Information Survey (HEGIS), "Fall Enrollment in Institutions of Higher Education" surveys, 1966 through 1985; Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment Survey" (IPEDS-EF:86-99); and IPEDS Spring 2001 through Spring 2011, Enrollment component

## PERCENTAGE COST COVERED BY PELL GRANTS



**SOURCE:** U.S. Department of Education, 2010-2011 Federal Pell Grant End-of-Year Report; U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS), "Institutional Characteristics of Colleges and Universities" surveys, 1965-66 through 1985-86; "Fall Enrollment in Institutions of Higher Education" surveys, 1965 through 1985; Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment Survey" (IPEDS-EF:86-99) and "Institutional Characteristics Survey" (IPEDS-IC:86-99); IPEDS Spring 2001 through Spring 2011, Enrollment component; and IPEDS Fall 2000 through Fall 2010, Institutional Characteristics component.

# The Early Years of the Pell Grant

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*Today, the Pell Grant is the foundation of federal student aid policy.*

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JOHN LEE

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PRESIDENT

JBL Associates

The goal of assuring that everyone has the resources to attend college emerged as part of a national conversation about civil rights and the loss of talent to poverty that emerged during the post-World War II years.

The Basic Educational Opportunity Grant (BEOG) was one of the last parts of the anti-poverty and civil rights laws of the 1960s and 1970s that defined the federal role in assuring equal access to education. The Higher Education Amendments of 1972 completed legislative work on the major programs that define the federal role in higher education today. The centerpiece of that legislation was the authorization of the BEOG, which was renamed the Pell Grant program in 1980. The legislation also included the reauthorization of the three campus-based programs (the National Direct Student Loan Program, the Supplemental Educational Opportunity Grant Program (SEOG), and the College Work Study program) that had initially been authorized by previous legislation. This completed the structure of the federal commitment to higher education that included guaranteed student loans provided by private lenders that was authorized in 1965.

The first example of comprehensive federal education legislation was the National Defense Education Act (NDEA), which Congress passed in 1958 in response to the Soviet launch of Sputnik. In 1965, the Elementary and Secondary Education Act launched a comprehensive set of programs, including the Title I program of federal aid to disadvantaged children to address the problems of poor urban and rural areas. In that same year, the Higher Education Act authorized assistance for postsecondary education, including financial aid programs for needy college students. The passage of laws such as Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973 which prohibited discrimination based on race, sex, and disability made civil rights and equity a permanent foundation of the federal effort in education.

This early education legislation had to overcome resistance to any federal aid to education, outside of Impact Aid, based on The Tenth Amendment to the United States Constitution which states: “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Since education



is not mentioned in the Constitution, it is perceived by many as one of those powers reserved to the states.

In addition, there was concern that the federal government should not provide support to religious schools based on the constitutional distinction between church and state. Finally, there was the issue of segregation that complicated any debate about education prior to the Civil Rights Act. These legal and political challenges had to be resolved before the federal government could provide widespread aid for the specific purpose of helping low-income students pay for postsecondary education.

Initially, the BEOG was a relatively small program compared with financial aid available to students from Social Security and the Veterans Administration. The BEOG program was originally administered in the Department of Health, Education, and Welfare, which meant that the program was several levels below cabinet level visibility. The Department of Education was not authorized until October 1979. As a side note, Senator Pell was also one of the cosponsors of that landmark legislation.

The fledgling BEOG program was introduced at a time when other federal programs provided the bulk of financial aid. In 1973-74, the first operational year of the BEOG, 170,000 students received a total of \$47.52 million in awards. 1976-77 was the first full award year with 1.94 million students receiving \$1.5 billion in BEOGs. In that same year, Social Security awarded \$1.43 billion to students. This was a peak year for the GI Bill in which they awarded over \$5 billion to

veterans attending postsecondary education. In 1976, together the Social Security and the GI bill provided \$6.5 billion in student benefits. The combination of Vietnam Veteran's benefits and Social Security education benefits provided over 4.5 times more dollars to students than did the BEOG program.

These other two programs did not award aid based on need. Without the unifying principle of need-based aid, the federal student aid effort could have well evolved as a patchwork of aid awarded

The fledgling BEOG program was introduced at a time when other federal programs provided the bulk of financial aid.

to students for a number of different reasons. The resulting effort would have been much less efficient and effective than the Pell Grant has proven to be.

#### POST-KOREA AND VIETNAM-ERA GI BILL

The original 1944 Servicemen's Readjustment Act, generally called the GI Bill, was perhaps one of the most successful federal programs of the era, which proponents of federal student aid have continued to identify as justification for expanding the federal role in student aid. The Post-Korea and Vietnam-Era GI Bill was authorized by the Veterans' Readjustment Benefits Act of 1966. Given the success of the original GI Bill, there was great hope that this program could provide the same positive support as the original. In the beginning, the education benefits were not as widely used as had been the case after WWII,

but over the years the benefits were improved, and an increasing number of veterans took advantage before their eligibility was lost.

Because the draft during the Vietnam War era exempted college students, a large share of recruits were not college bound when they joined the military. Given that the eligible population was comprised of military veterans and the fact that many did not take advantage of the program immediately after discharge, a large share of the recipients tended to be male and older compared with the traditional college population of the time.

#### SOCIAL SECURITY EDUCATION BENEFITS

The increasing importance of postsecondary education finance at the federal level was evident in changes to Social Security in 1965 when benefits for children of parents who had died or were disabled were extended from age 18 to age 22 for students attending a postsecondary institution. The House Ways & Means Committee explained this new provision in its Report on the 1965 Social Security Amendments:

*Under present law a child beneficiary is considered dependent, and is paid benefits, until he reaches age 18, or after that age if he is disabled before age 18 and is still disabled. The committee believes that a child over age 18 who is attending school full time is dependent just as a child under 18 or a disabled older child is dependent, and that it is not realistic to stop such a child's benefit at age 18.*

Social Security benefits were designed to provide aid to traditional age students, but not older students.



Social Security benefits for students over 18 were phased out in 1981 as part of an effort to reduce the long-term structural costs of the Social Security program. The success of the Pell Grant was part of the justification for ending Social Security student benefits. Federally-funded educational assistance had grown to about \$7 billion a year by this time. Increasing amounts of state, local, and private financial aid were also becoming available to students. Congress argued that unlike Social Security, programs whose explicit purpose is to provide financial assistance for education would be able to tailor the amount of aid to the educational and living expenses incurred by the student, and to the financial resources available to the student and his family.

### CHANGES IN SOURCE OF FEDERAL AID

According to the College Board, in 2010-11, the Pell Grant program made \$34.762 billion in grants to students, and the combined Veterans and military benefits came to \$12.15 billion. This is a major turnaround since 1976 when the GI Bill awarded more than three times as many dollars as the BEOG. In 1976-77, 1.944 million students received a BEOG and by 2010-11, the total increased to 8.873 million. To put it in perspective, roughly 18 percent of students enrolled in the fall of 1976 received a BEOG; by 2010 the share of Pell recipients had increased to 42 percent of the students enrolled in the fall.

Over these decades, needs-tested student aid administered by the U.S. Department of Education has become the dominant form of federal student grants. This outcome was not inevitable, and given

the antecedents, it is not difficult to envision a federal student aid system that operated on very different principles than those that undergird the programs today. The acceptance of family ability to pay for college as the foundation for awarding federal grant

...roughly 18 percent of students enrolled in the fall of 1976 received a BEOG; by 2010 the share of Pell recipients had increased to 42 percent of the students enrolled in the fall.

aid, along with the growth of loan aid, is the biggest story in the history of federal student aid.

The major model of student aid prior to the BEOG was the GI Bill. Social Security and the GI Bill helped fill the need for financial aid prior to the authorization of the BEOG program. As the national policy goal was defined as expanding the number and diversity of students enrolling in postsecondary education, Congress accepted needs analysis and family ability to pay that, with all the tinkering and amendments, have continued to guide the Pell Grant Program. The basic student aid philosophy finalized in 1972 with the authorization of the Pell Grant Program still exists and has defined the federal role in education. The acceptance of need-based aid and the federal commitment defined by the Pell Grant has broadened educational opportunity for 40 entering classes of students since 1972. The vision of those early years has been realized.

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**PELL GRANTS:**

# Higher Education's Brown v. Board of Education

*Forty years ago, Congress passed, and the president signed, legislation that extended Brown's promise of equal educational opportunity to higher education by creating the Basic Educational Opportunity Grant, now known as the Pell Grant after its chief sponsor, Claiborne Pell.*

**RICHARD D.  
KAHLENBERG**

**SENIOR FELLOW**

The Century Foundation

That followed the U.S. Supreme Court's 1954 landmark Brown v. Board of Education decision, striking down racially segregated elementary and secondary schools as inherently unequal.

*Brown* was about integrating schools by race; the Pell Grants about financing education for low-income and working class students of all colors. *Brown* came from the judiciary, while Pell Grants arose through the legislative process. But in its core visions for equal educational opportunity, the Pell Grant essentially did for higher education what *Brown* did for K-12 schooling: brought us closer to the American promise

of allowing all students, regardless of background, to reach their potential. Senator Pell's vision was that "any student with the talent, desire, and drive should be able to pursue higher education."

Since 1972, 60 million students have benefitted from Pell Grants. Many have gone on to make enormous contributions in our society, in the arts, sciences, industry, and public service.

But, just as Brown v. Board has over time been eroded, as our schools have become increasingly segregated by race and class, so the promise of Pell has been jeopardized as the larger pool of federal, state, and institutional funds has been diverted to

wealthier students in the form of institutional and state-based non-need “merit” aid and tax breaks for non-needy students.

...the Pell Grant essentially did for higher education what Brown did for K-12 schooling: brought us closer to the American promise of allowing all students, regardless of background, to reach their potential.

### NON-NEED MERIT AID

In late 2011, the U.S. Department of Education’s National Center for Education Statistics documented a dramatic—and disturbing—shift over time in institutional grants for undergraduates from need-based to non-need-based merit aid.

Of the \$62 billion provided to undergraduates in grant aid in 2007-8, institutions were the single largest source, followed by federal, state, and private entities. In the academic year 1995–96, the report found, public four-year colleges provided 13% of students with need-based aid, and 8% with non-need-based merit aid. By 2007-8, the share of students receiving merit aid from public four-year institutions (18%) actually outnumbered the proportion receiving need-based grants (16%).

Private nonprofit four-year institutions, likewise, used to substantially tilt toward need-based grants, but no more. Whereas in 1995-96, 43% of students were provided institutional need-based grants and 24% merit grants, by 2007–8, slightly

more (44%) received merit aid than received need-based aid (42%). Moreover, in 2007–8, the average amount of institutional merit aid exceeded the average need-based grant at both public and private four-year colleges.

In the report, grants which had both a merit and need-based component were considered need-based. Students in the highest income quartile were overrepresented among non-need-based merit-aid recipients, and students in the lowest income quartile were underrepresented.

Another report, the College Board’s “Trends in Student Aid 2011,” found that institutions are providing more than \$5 billion in non-need aid. Reporting on the study for *USA Today*, Jon Marcus quoted one low-income student: “It just doesn’t make any sense. You don’t give the bloated guy the cheeseburger when the starving man is starving.”

Individual institutions often try to swim against the merit-aid tide. As Beckie Supiano noted in *The Chronicle of Higher Education*, St. Mary’s College of Maryland is seeking to redirect aid away from merit to need-based grants, but the idea is facing some faculty resistance. Colleges worry about unilaterally disarming in the war for talented students with high test scores who can improve the academic quality of an institution, to say nothing of *U.S. News & World Report* rankings.

While merit aid may be rational for an individual institution, it is not particularly rational for the system as a whole. We all directly or indirectly help fund both



public and private colleges, even though less than one-third of Americans 25 or older have a four-year college degree, because everyone benefits when universities advance research and educate more students.

The public return on need-based aid such as the Pell Grant is straightforward: it enables all of us to benefit from the contributions of students who, but for the aid, would not be able to attend and graduate from college.





The public return on need-based aid such as the Pell Grant is straightforward: it enables all of us to benefit from the contributions of students who, but for the aid, would not be able to attend and graduate from college. This helps explain why all federal aid (even that which has a merit component) is means-tested.

The larger public benefit of state or institutional non-need-based merit aid to students who might well attend college with or without aid is much more difficult to justify. Merit aid may direct students to go to a particular institution or stay in a particular state, but it is unlikely to significantly increase the overall enrollment in college to the same extent as need-based aid.

Instead, merit aid is mostly a weapon in the battle for talent between states, or between individual institutions, which does not benefit the country as a whole. In the case of trade barriers between states, the Constitution prohibits the practice in recognition that such competition is destructive to the nation. So why should the federal government subsidize institutions of higher education engaged in merit-aid wars?

To restore more of a sensible balance between need-based aid and non-need-based merit aid—and to reinforce the purpose of Pell Grants—the federal government could stipulate that if an institution receives federal aid, it must in some measure prioritize need-based aid over non-need merit aid. The guidelines could look at the percentage of overall funds provided by an institution and the proportion of students receiving various kinds of aid. Historic practice could help guide the appropriate targets. For

example, if 1995-96 benchmarks were used, public institutions would need to provide at least 1.5 times as many need-based grants as merit grants; and similar guidelines would govern the average size of grants.

Because almost all colleges, both public and private, receive federal aid, the same rules would apply to virtually everyone, and no particular institution would be required to waive the white flag on merit aid. The “peace dividend” of curtailing the merit-aid wars might even end up benefitting low-income students who would not otherwise attend college at all.

#### FEDERAL EDUCATION TAX BREAKS

The other major way in which the idea behind Pell Grants has been diluted is with the proliferation of non-need-based federal higher education tax breaks. On the federal level, the College Board’s “Trends in Student Aid 2011” found that roughly \$4-billion goes in the form of tax credits and deductions to families with adjusted gross incomes between \$100,000 and \$180,000 a year. (The total cost of the tax breaks was \$14.7-billion in 2009.)

Ironically, the big subsidies to relatively well-off families first originated under the Democratic administration of Bill Clinton. Clinton’s Treasury Secretary Robert Rubin, a Wall Street financier not known as a wide-eyed radical, advised Clinton at the time that increasing grant aid would provide a better-targeted method of expanding higher-education access. But tax credits were seen as more politically viable, both because they benefit more powerful constituencies and because tax cuts are symbolically

associated with shrinking government. A 2003 National Bureau of Economic Research Working Paper by Bridget Terry Long vindicated Rubin’s position, finding that the Clinton higher education tax breaks did not broaden access to postsecondary education.

Yet the program has continued to grow. According to a new National Center for Education Statistics report, “Federal Education Tax Benefits,” in 2007–8 college tax benefits went to 47 percent of American undergraduates, compared with 27 percent receiving Pell Grants. Since then, the Obama administration has expanded tax breaks both up and down the income ladder—raising eligibility levels to \$180,000 but also making the tax break refundable, which benefits lower-income families who don’t owe federal taxes.

Moreover, a 2012 report from Education Sector found that an increasing proportion of federal aid, in the form of tax breaks, is going to Americans making up to \$180,000 a year. The report by Stephen Burd, “Moving on Up: How Tuition Tax Breaks Increasingly Favor the Upper-Middle Class,” questions the failure to better target higher-education tax breaks, which totaled \$70 billion from 1999 through 2009. Over time, these breaks have increasingly gone to relatively wealthy families, making between \$100,000 and \$180,000 a year. In 1999–2001, none of the benefits went to those making more than \$100,000 but from 2007–2009, nearly one quarter of the benefits flowed to these families. The Tuition Tax Deduction, which is available for families making up to \$160,000 a year, sends more than half of the benefits to families making more than \$100,000 annually.

Critics rightly worry that the growing tax breaks are problematic on two grounds. Because they are built into the tax code, they don't have to go through the discipline of surviving the regular annual appropriations process. And tax breaks for those in the \$100,000 to \$180,000 range, more than double the median family income, don't usually tip the balance for students deciding whether to attend college.

The other major way in which the idea behind Pell Grants has been diluted is with the proliferation of non-need-based federal higher education tax breaks.

The silent and automatic nature of the tax breaks prompt scholars Sandy Baum and Michael McPherson to ask why there isn't more "scrutiny in this age of attempted austerity" for "government expenditure through the tax code." Likewise, Sara Goldrick-Rab of the University of Wisconsin notes that tax credits for better-off families provide "extra money to make sure they can have a vacation that year, or they can buy another TV or a nicer car," but "it is not for putting food on the table, and it's not paying the heating bill, and it's not deciding whether or not the kid goes to college."

If legacy preferences in college admission are a form of "affirmative action for the rich," then tax breaks for families making up to \$180,000 a year are food stamps for the relatively wealthy.

## THE PUBLIC INTEREST IN STUDENT AID

Some might defend the trends toward non-need merit aid and toward tax breaks for upper middle class families by asking: Don't we want to reward hard work and merit? And don't even families making six figures deserve help, especially if they have more than one child in college?

These are both worthy objectives, but as the backers of the Pell Grant know, there is an even more important matter of public interest at stake. Remember that households making \$180,000 stand at the 95th percentile of the American population. And subsidies for college students are best justified when they make the difference between attendance and non-attendance. The test for financial aid should not be whether it eases the pinch for families but rather whether students would not go to college but for the aid provided. Tax credits are not a make-or-break policy for families making \$180,000 the way the Pell Grant can be for a recipient whose family earns less than \$40,000.

Moreover, there is a limited pot of federal money for financial aid. In 2010–11, the College Board estimates Pell Grants accounted for only about 15% of total federal aid, as it competed with other federal programs: work-study, loans and tax breaks. Despite important efforts to expand Pell Grants, in 2010–11, the maximum grant covered only cover 34% of the total costs of attending a public college, down from 69% in 1980–81, according to the College Board. The amount covered, says the Institute for College Access

and Success, represents "the smallest share of college costs in the history of the program."

The degree of unmet need for low-income students helps explain in part the enormous difference in college attainment rates for students in low-income and high income families. Research by Tom Mortenson, cited in a 2011 Pell Institute report, "Developing 20/20 Vision on the 2020 Degree Attainment Goal," finds that over the last 30 years, bachelor's degree attainment by age 24 in the U.S. has skyrocketed by 45 percent for those in the top income quartile, while for those in the bottom income quartile, the rate has increased just 2 percent. By age 24, students from the bottom half of the distribution have a 12.0 percent chance of graduating with a bachelor's degree, while those in the top economic half have a 58.8 percent chance. If we could raise everyone to the level of attainment met by those in the top economic half, the report notes, we would far outpace other countries in bachelor degree attainment.

At the elite colleges, which offer the best chance for joining America's leadership class, economic inequities are even greater. Century Foundation research finds that students in the lowest socioeconomic quartile are 25 times less likely to be found on the campuses of the most selective 146 institutions than students from the richest socioeconomic quartile. And, according to a 2011 analysis by The Chronicle of Higher Education, despite a slew of financial-aid initiatives announced in the past decade, the percentage of low-income

Pell-Grant-eligible students at the wealthiest 50 institutions remained flat between 2004–05 and 2008–09. Thirty-one colleges and universities actually saw declines in the proportion of Pell recipients.

The test for financial aid should not be whether it eases the pinch for families but rather whether students would not go to college but for the aid provided.

Forty years after their creation, Pell Grants have done for higher education what *Brown* did for K-12 schooling: they have immeasurably improved the life chances of millions of Americans—which, in turn, has benefitted our society as a whole in countless ways. But there is much work yet to be done on Senator Pell’s powerful vision in which “any student with the talent, desire, and drive”—irrespective of family income—“should be able to pursue higher education.”

## BIRTH OF THE PELL GRANT:

# The Community College Role

*The Pell Grant, now turning 40, clearly stands with the Land-Grant Act and the GI Bill as the acts that have best served national progress through educational opportunity beyond high school.*

## FRANK MENSEL

FORMER CONGRESSIONAL  
LIAISON

American Association  
of Junior Colleges

The Pell Grant has, in fact, given hundreds of thousands more students the benefit of college studies than have five GI Bills, the first of which spun the World War II victory into a new social order that turned college from privilege to right for the returning veterans.

After four decades, I'm still asked occasionally to put my account of the grant's enactment into print. The story has to start with the senator himself. Two unswerving priorities that propelled his historic Senate career have left his detractors stewing in poor judgment. It was natural that, for a Rhode Islander and Coast Guard veteran, one priority was his determination to help save the oceans from irreversible contamination. Equally focused was his desire to universalize basic education through the 14th year, to help Americans deal better with accelerating change.

The latter priority was leveraged by his seat on the Senate's Education and Labor Committee, where he became chairman of the Education Subcommittee when the Higher Education Act of 1965 was approaching reauthorization. About the same time, I was invited by the American Association of Junior Colleges (AAJC) to lead its federal relations office and congressional liaison.

## IMMEDIATE PRIORITIES

Two questions came first for me at AAJC, both ultimately relevant to the birth of the Pell Grant. Had a community college bill ever been introduced in Congress? The answer was no. Then, were there staff in community colleges working in federal programs, who could tell what worked and what didn't? The answer was a scattered few.

In response, the AAJC president, Edmund Gleazer, programmed me immediately for two trips—"to get to know the field." The first was to Dallas to consult two illustrious "pillars" of the movement, President Bill Priest of the Dallas Community College District, and President Joe Rushing of the Tarrant County Junior College in Ft. Worth. Both responded affirmatively on the prospect of a community college bill. Fortuitously, Priest had an upbeat staffer, Bob Leo, who he already had digging into federal grants. Leo would prove an essential advisor as the community college bill developed. With fresh laundry, I then headed for Honolulu and the annual meeting of the National Council of State Directors of Community Colleges. They were chaired by another prominent voice of the movement, S. V. (Marty) Martorana, who headed the community college agency for New York State. Both he and Leo began making Washington visits to help me. Bernard (Bernie) Luskin, who was heading up federal programs for California's Coast Community College District, also became a regular visitor and helper.



### THE RIGHT SPONSOR

When we had a draft bill in hand, I took it by appointment to see the chairman of the Committee on Education and Labor, Sen. Harrison Williams of New Jersey, whom I knew from earlier legislative endeavors. He was keenly aware of his state's burgeoning community colleges. With only a cursory inspection, he handed the bill to staffers and told them to get it formally introduced. As the HEA reauthorization

unfolded, the bill would never gain traction in its own right, but it would serve as a vital bargaining chip.

Earlier, a personal connection to Senator Pell came my way unexpectedly. Soon after I came into the association, the editor of the Community College Journal asked if I could do an article on Congress. I suggested an interview with the chairman of the Senate Education Subcommittee about his effort to add two more years to everyone's education. After

Equally focused was [Senator Pell's] desire to universalize basic education through the 14th year, to help Americans deal better with accelerating change. The latter was leveraged by his seat on the Senate's Education and Labor Committee, where he became chairman of the Education Subcommittee when the Higher Education Act of 1965 was approaching reauthorization.

his staff arranged the introduction, I spent an hour with the senator. The resulting interview was the featured article in the next issue of the Journal, with the chairman's portrait on the cover. I soon realized that my reward would be his friendship for life.

The article itself found a second life in Senator Pell's 1970 fight for reelection. Reprints of it were spread across the state by school teachers who went door to door supporting his reelection. His incumbency would not face a serious challenge again in his remaining terms.

### REAUTHORIZATION DELAYED

Like so many federal programs, the Higher Education Act of 1965 was a five-year authorization. But by 1970 neither the House nor the Senate was looking at a quick or routine renewal. So a temporary extension kept it in force through the two-year siege that produced its successor.

Of the institutional associations increasingly known as the Big Six, the AACJC was looked upon as "the new kid." The community college movement was



just coming into full bloom, with two-year campuses growing in number in most States. The other institutional families were the American Association of State Colleges and Universities, the Association of American Colleges (later folded into the National Association of Independent Colleges and Universities, or NAICU), the Association of American Universities, the National Association of Land-Grant Universities and Colleges, and the venerable American Council on Education, whose members spanned higher education generally with the intent, among other purposes, of keeping common ground and cooperation working among the six.

My intention to go with Pell was never in doubt. President Gleazer backed it. The proposition that the other associations were backing was unacceptable for community colleges. It was a formula to award annual federal grants to universities and colleges, based on enrollment that they had drawn up with Rep. Edith Green of Oregon, noted for her command of House action on higher education. The grants would be made in this order: \$1,200 per FTE in graduate work, \$400 per upper-division FTE, and \$100 per lower-division FTE. It was strange that the senior associations could not see how unfair, insulting yet, their formula was to the fastest-growing family in postsecondary education.

It showed too they were underestimating us, if not taking us for granted. It must have seemed sure to them that Representative Green would prevail, as she had in the past, when the reauthorization eventually came to a House-Senate conference on the final bill. She

always came to such conferences more versed in the details than other conferees. She had been the leading architect in Congress of the first Higher Education Act, working closely with the LBJ White House.

### THE VISION OF GREEN

Education will always owe Representative Green a great debt. It was her initiative in the 1965 Act that created the Educational Opportunity Grants (EOG), the first federal grants to financially disadvantaged students who showed academic promise. It was Senator Pell's vision that they turned into Basic

...Senator Pell had just two steadfast allies from start to finish. Besides the community colleges—the AACJC was then evolving into the AACJC, and later still the AACC—he had the dauntless yet somewhat controversial support of the College Entrance Examination Board, led by the vice president heading its Washington office, Lois Rice.

Educational Opportunity Grants (BEOG), because he felt merit was an unfair criterion for getting unevenly prepared students of need into college.

My presence as “the new kid” proved advantageous when the six gathered at times to ponder legislation in the office of John (Jack) Morse, ACE's federal affairs chief. Morse's role, as the “dean” of the group, was always warmly regarded and never in doubt. In 1970, Morse asked me to join him in a visit to Representative Green. Though I was uneasy, the visit

became a cordial and frank exchange of views. I simply informed her that community college growth would not allow AACJC to settle for the proposed schedule of institutional grants. She was very aware of the growth of community colleges in her State.

Months later, on a Saturday morning when I was mowing the backyard, my wife called me to the phone. She said, “It's Edith Green.” Picking up the phone, I said, “Good morning, Madame Chairman.” She said, “Frank, are you satisfied with the EOG.” When I replied, “Yes, I am,” she cut in quickly, said “Thank you,” and hung up. I had wanted to complete my response by saying, “Yes, I am, as far as they go.” But I didn't get that chance. I never solved the riddle of what the call was about. If she simply wanted assurance that I liked the EOG, I thought my tone conveyed it. Without the EOG, there might not have been the BEOG. From the success of the EOG, Congress would more easily see the potential of the Pell Grant.

Upon its introduction, the community college bill was routinely assigned to the Education Subcommittee. Our obvious next step would be a visit to Pell's subcommittee staff, headed by a self-assured young lawyer, Steve Wexler. I chose a time when Bob Leo and Marty Martorana could join me. Wexler already knew our purpose, and he wasted no time on small talk. With our bill on his desk, he said, “Gentlemen, I have a tradeoff for you. You support the BEOG, and we'll find a way to use your bill in the reauthorization.” Our smiles were an exuberant “yes.”

What the community college bill turned into in the 1972 act was a provision directing each State to form

a so-called 1202 Commission to help community colleges work more effectively in the higher ed system. The 1202 Commission became productive

It was Senator Pell's vision that they turned into Basic Educational Opportunity Grants (BEOG), because he felt merit was an unfair criterion for getting unevenly prepared students of need into college.

in a few States, but most gave it short shrift. Yet the awareness of community colleges was growing on both sides of the Capitol, which eventually helped them score another important victory in the new Act, which was full eligibility for Title III's institutional development grants. The 1965 Act targeted Title III on the Historically Black Institutions, but by 1972 the community colleges had surged far in front among "developing institutions."

### PELL-JAVITS UNITY

Senator Pell was not about to take success for granted. When it came to education, the Education and Labor Committees of both the Senate and House prided themselves on being the most bipartisan committees of Congress. The Ranking Member of the full committee, Sen. Jacob Javits, a progressive New York Republican, not only assured Senator Pell that the Senate conferees would be united when the conference committee would write the final bill, he also joined Senator Pell in a colloquy on the Senate floor, to bring clarity to the federal role. In their dialogue they emphasized that the States should

remain fully responsible for facilities and operating costs, and it be up to Congress to establish the floor of opportunity for the less advantaged, as in the BEOG.

The House enacted its reauthorization first. The Senate version, carrying the BEOG, won Senate approval in the early weeks of 1972. Thus the stage was set for battle in the conference committee, which as usual comprised senior members of both parties from the Education and Labor Committees. The Senate conferees were not about to be outdone, as they sometimes were by House Members who had more time for homework. When the jousting settled finally in the Senate's favor, the word was that some House Members had gone for the BEOG. It was a stunning victory for Senator Pell, and one for which the community colleges were grateful but not boastful. It was apparent that it would take years of work to make the most of it.

The grants were flowing within a year, after expedited rulemaking by the USOE, to campuses and students in every State. Expectations were high and growing. The promise that a full grant would cover the costs of a college year at state colleges and community colleges proved largely true in the early years.

Concurrent throughout the reauthorization, two other developments were adding strength to the community college voice on Washington, and fuel to the Pell Grant.

### HELP FROM USOE

Foremost was the budding network of campus specialists focused on federal programs. I knew and admired John Mallan, the Harvard Ph.D., who

preceded me in directing federal affairs at AACJC. Both of us were friends of William Shannon, then the association vice president who asked me to interview for the position. Mallan had been in dialogue with college specialists at the U.S. Office of Education (forerunner of the Department of Education), and he had also begun encouraging colleges to make federal programs a staff priority.

Most beneficial to me was the very able deputy I inherited with the office, Claire Olson. As I took up dialogue with the USOE, she suggested I start with Paul Carnell, a senior specialist in college programs. Paul was very cordial and sincerely interested in community colleges. His staff associate, John (Jack) Orcutt, also became a strong proponent of community college development. When I asked Carnell if he was getting grant proposals from community colleges,

Expectations were high and growing. The promise that a full grant would cover the costs of a college year at state colleges and community colleges proved largely true in the early years.

he said they were getting a scattered few, but most showed a weak grasp of both the programs and the grants process. We talked about whether the association might help train grants specialists, and he assured me that USOE would welcome a proposal of that intent favorably. With the green light from Gleazer, Olson and I plunged into drafting it.

## **FORMATION OF THE COUNCIL FOR RESOURCE DEVELOPMENT**

From it came a \$250,000 grant, with my office to conduct the training, and with the participants to qualify by application in which their college would cover all expenses except the training itself, for a 12-week stay in Washington.

The first class of six was all “guys,” who soon became as eagerly immersed as I was in the HEA reauthorization. It gave us a bond that outlasted our careers. Before the six left Washington, they had dubbed themselves “Mensel’s Mafia.” They also pulled together a draft charter for a grant specialists’ network that would also attract our successive classes of grants specialists, and evolve soon into the National Council for Resource Development, now CRD. Before long, CRD had moved front and center as the professionals leading community college development.

They became an army of support for Senator Pell and the BEOG. Olson and I worked with them to program an annual fall conference in Washington that drew 125 registrants the first year and grew to more than 800 within three years. Invited Congressional staff was glad to rap with them on pending bills of interest. For many from the campuses, the conference was their first visit to Washington and their revered Capitol. They were eager and diligent about getting appointments with their own House and Senate offices, and extolling both their colleges and the BEOG.

Likewise, the Congressional offices were in many instances seeing community college visitors for the first

time. Some Members of Congress were getting their first ever calls from a community college president, who usually had been prodded by his grants specialist to make the calls. As the House-Senate conference on the HEA drew near, the calls multiplied. Once the conferees were officially named, I called as many community college presidents as I could reach in their states and districts urging them to make such calls personally. I skipped those, of course, where I knew their grants staff had already preempted them to act.

## **ORIGINS OF THE COMMITTEE FOR EDUCATION FUNDING (CEF)**

The second major development was the formation in 1969 of the largest and longest enduring coalition of associations and institutions representing education in Washington. It was a direct and quick response to President Nixon, who in his first weeks proposed a FY’69 budget that would zero out LBJ’s major programs for education. He was sharply assailed by the professionals who felt the Great Society’s Elementary-Secondary Education Act of 1965 and the Higher Education Act had not had the time to prove their merit.

The coalition was first contemplated over cocktails by three education association leaders and two Congressmen. In Charles (Charlie) Lee, a prized legislative strategist when he was serving Oregon Sen. Wayne Morse, they knew they had the right man to mastermind the operation. Calling it the National Emergency Committee for the Full Funding of Education Programs, they invited all interested parties

to join them for an open meeting in the Rayburn Building to formalize the organization. Among a score of organizations that showed up, only two of us were from higher education. Stan McFarland, who headed Congressional liaison for the National Education Association, accepted the presidency, and Augustus (Gus) Steinhilber, counsel for the National School Boards Association, became vice president. I was enlisted for its steering committee. Lee was introduced as the executive director.

The coalition chose to elect its president annually, and in the second year, when Steinhilber became president, I became vice president. I then followed him as president for two terms, 1972–3, years that inaugurated the Pell Grant funding, which was in my mind when the coalition was developing. It was another instance of community colleges opening new ground for higher education. And the army of NCRD would again play a pivotal role.

CEF’s prominence and strength soared with a stunning victory in the second year. The larger pie that CEF was pushing was \$1 billion bigger than the House Appropriations Committee had in mind. In the 21st century, that number looks like small change. But before CEF, no one had ever dared to push an add-on of that size in either subcommittee or full committee.

The Nixon attempt to choke away the federal partnership in education had been soundly beaten. The precedent of the larger pie would ensure that the Pell Grant was well funded until its fast-spreading popularity fulfilled the intent that it become the



backbone of student financial aid, as it was being custom-packaged on campus for each disadvantaged applicant who qualified for it.

### THE IMPACT OF PELL

Looking back four decades, there's no question that community colleges and their students have reaped greater benefits from the Pell Grant than other families of higher education, although they too have benefitted enormously.

The grant's enduring popularity should remind all non-profit colleges and universities that they can ill-afford to take it for granted. But the lack of deep analysis of who the recipients are, and what they are actually getting, suggests that this is largely the case. The for-profit institutions surely are not taking Pell Grants for granted, which in part explains the phenomenal growth of, among others, the University of Phoenix.

While the nagging recession has spread uncertainty and political polarization, the Pell Grant has taken on still more importance in fighting poverty and joblessness, and in producing a workforce skilled enough to meet global competition, and possibly rescue the sinking middle class. In order to serve the national interest more than its self-importance, higher education owes it to itself to document and capitalize on these trends, among others:

- Pell Grants have become the life blood of rural community colleges, which for several years have moved ahead of urban and suburban community colleges in enrollment. It puts

them in the forefront of enrollment growth in undergraduate institutions, since community colleges still pace that growth.

- Women are the growing majority of Pell recipients, just as they are the growing majority in undergraduate education as a whole, propelling their growth also in graduate study, the professions, and the workplace generally.
- More than ever, the combination of Pell Grants and community colleges form the foremost door to the American Dream, workforce development, and the lifelong learning that is essential to complete most careers successfully.

Documenting all of this in detail looms as higher education's best argument for keeping Pell funding abreast of both demand and cost—which won't be possible unless the institutions do a better job of stabilizing costs.

Colleges and universities have too easily allowed their costs to rise faster than change in the consumer-price index. They've diminished the purpose and power of Pell Grants by too freely pushing students into loans that legions could ill afford. They've turned a blind eye to exorbitant textbook prices, for which obvious solutions are waiting to be tried. Community college students typically spend three-fourths as much for books as they spend for tuition, an outrage that benefits neither academic freedom nor workforce development nor traction for the middle class.

As growing numbers of students turn to community colleges for early courses at lower cost, the numbers who doubt college itself is worth the cost is growing at least as fast. Such dissatisfaction undermines American competitiveness as much as higher education itself.



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**SANDY BAUM &  
MICHAEL  
MCPHERSON**

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**SENIOR FELLOW**

George Washington University  
School of Education and  
Human Development

**PRESIDENT**

The Spencer Foundation

**PELL GRANTS:**

# One Piece of a Compelling Social Justice Agenda

*Over the past 40 years, the Pell Grant program has become emblematic of America's commitment to increasing opportunities for those who need a hand to realize their potential.*

It is now widely accepted that many people who do not have the resources to take advantage of the great postsecondary education our nation offers deserve help and that the investment pays off well both in terms of improving individual lives and in terms of enriching our society and our economy. Perhaps the program's greatest accomplishment is establishing the norm that higher education should not be the domain only of those fortunate enough to be able to pay for it on their own.

It is clear that Pell or a program along the same lines is needed in the interest of social justice. A society that wants young people's life opportunities to be determined by their capacities and ambitions rather than their parents' financial circumstances must

include a good mechanism for getting subsidies for postsecondary education to those who need them most.

A lot of attention these days is rightly going to the dwindling per-student funding for public colleges and universities and the need for society to take more responsibility for making quality higher education widely available. It does not diminish the importance of this issue to highlight the advantages of a program

Perhaps the program's greatest accomplishment is establishing the norm that higher education should not be the domain only of those fortunate enough to be able to pay for it on their own.

like Pell, which uses federal taxpayer funds to make college less expensive for those with the most inadequate resources.

Even if colleges did not charge tuition, many people would still struggle to enroll—or at least to enroll full-time or close to full-time—because they would not be able to afford to forgo the wages from full-time employment. Just paying for basic living expenses without those earnings is nearly impossible for many people. Moreover, many students face higher day-to-day expenses because they also have family responsibilities. Other students are fortunate enough to have families that can help with their support while they are in school. While Pell Grants alone cannot eliminate these financial barriers, they move us in the direction of leveling the playing field.

The importance of Pell Grants is well established, and fortunately there are only a few voices calling for the program's elimination. But much of the discussion pits those who would like to see the program absorb fewer taxpayer dollars against those who believe that the current structure works well, but the funding is woefully inadequate. In the interest of social justice, it behooves all of us to think carefully about the program's future and how it can best help us accomplish our goal of increasing educational opportunities.

The path of least resistance is frequently to assume that if a program has an important goal, all of the money spent on the program is well spent. When a program is as visibly helpful in achieving its goal as the Pell Grant program, it's even more tempting

to think this way. We look at the many stories of students whose lives have been transformed because of the opportunities provided by Pell Grants and we want more of those stories. But we might actually be

But we might actually be able to further our social justice goals by taking the time to consider potential improvements to Pell.

able to further our social justice goals by taking the time to consider potential improvements to Pell.

People concerned with social justice frequently think of focusing on efficiency as trading off equity for other values. But the reality is that being efficient in furthering social justice allows us to move closer to our goals. Suppose a worthy social goal is being met inefficiently—that is by using more resources than are needed to achieve the ends. It might be possible, by making the program work better, either to use the freed resources to meet the goal more fully, or to use the savings to help address other social problems.

This general idea applies to Pell Grants as well as to other social programs. Health care, for example, is often discussed in these terms. It is not just a practical requirement but actually a moral requirement that in pursuing social justice we should try to make the program maximally effective and minimally wasteful.

Pell Grants help millions of people. But no one concerned about the vast social and economic inequities in our society can believe that this program is the solution to our problems. As a nation we are

struggling not only to provide access to postsecondary education, but also to provide basic health care to everyone, to improve early childhood and elementary/secondary education, to provide a support network for people who cannot care for themselves, and more. No matter how we structure our priorities, we will never have enough money to accomplish all of these goals without worrying about whether the dollars are well spent. Anytime there are social needs going unmet it is unjust to ignore efficiency issues.

Pell supports further education for people who have completed high school. Clearly, the millions of people who have not completed high school face even bigger problems than those who have and are struggling

It is not just a practical requirement but actually a moral requirement that in pursuing social justice we should try to make the program maximally effective and minimally wasteful.

to pay for college. So if Pell could accomplish what it does but spend a little less—and if that money could go towards meeting the needs of this even more vulnerable population—that would be a good thing. It's also true that if Pell could meet its present accomplishments more cheaply it could use the money saved to further postsecondary opportunities and success even more than it now does.

In designing policy, we have to think about how we can use our dollars to affect people's choices and



behaviors in ways that will help them achieve better outcomes and help society accomplish its goals.

In considering potential improvements to the Pell Grant program, we should start by asking ourselves some hard questions.

- The Pell Grant program doesn't just help young people from low-income families go to college. It also helps a lot of adults go back to school. Many of them are seeking specific occupational training – frequently short-term. *Does the program work as well as it could for that group of students?*
- Pell Grants provide money without guidance about how to use that money. Many recipients have very limited information about the best courses of study, the best institutions for them, and the best ways to organize their lives to accomplish their goals. *Do we need to think about something other than only additional grant dollars that would help these students succeed?*
- We know that students who progress through their programs in a timely manner are much more likely to complete credentials than those who move slowly through. *Are there changes to the program that would help students focus more effectively on making it across the finish line?*
- Perhaps the hardest question to introduce is the one about whether all students now using Pell Grants are better off being in school than they would be following another path, at least for some period of time. (The same question of course applies at least as much to students whose parents are paying their way.)

For most people, postsecondary education is the best gateway to successful careers and lives. But there are exceptions, and success does require motivation, effort, and skills on the part of the students. We recognize that this is an extremely difficult problem to address well and that raising it at all creates unease. But trying to render the matter off limits for discussion strengthens the hand of those who would use the fact that some students are ill-served by attending college (or at least the particular colleges they choose) to discredit the whole idea that we should continue to support expanded college opportunity for disadvantaged students.

Postsecondary education is increasingly important. But we have to acknowledge that too many students are putting time, energy, and money into paths that don't work out. Even with Pell Grants, while many succeed, too many end up with little more to show

So if Pell could accomplish what it does but spend a little less—and if that money could go towards meeting the needs of this even more vulnerable population—that would be a good thing.

for their efforts than student debt and lost time. There may be ways to modify the design of the Pell Grant program so that it is even more effective in helping students achieve their goals and so that taxpayer dollars are spent as efficiently as possible in moving us towards a more just society that allows better lives for more of its members.

Forty years after the birth of the Pell Grant program, we face a difficult situation as the nation struggles with a weak economy and unsustainable budget deficits. Instead of just “saying no” to the political pressures now facing the program, we should take this opportunity to renew our commitment to social justice. To do so means preserving the tremendous

There may be ways to modify the design of the Pell Grant program so that it is even more effective in helping students achieve their goals and so that taxpayer dollars are spent as efficiently as possible in moving us towards a more just society that allows better lives for more of its members.

contributions of Pell Grants while also assuring that our subsidies to students with financial need are not only adequate, but are as fair, effective, and efficient as possible in moving us towards a more just society that allows better lives for more of its members.

A generous grant program is a critical component of supporting educational opportunity and requires continuing emphasis and support. The program will be strengthened if we move our focus from a one-dimensional call for more money for more people to providing the guidance and support needed to make the dollars we spend on Pell more effective in improving people's lives.

#### THE PELL GRANT PROGRAM:

## More than Just a Number

*The Pell Grant program is the flagship federal student aid program that helps provide college access to nearly 10 million low- and moderate-income students each year.*

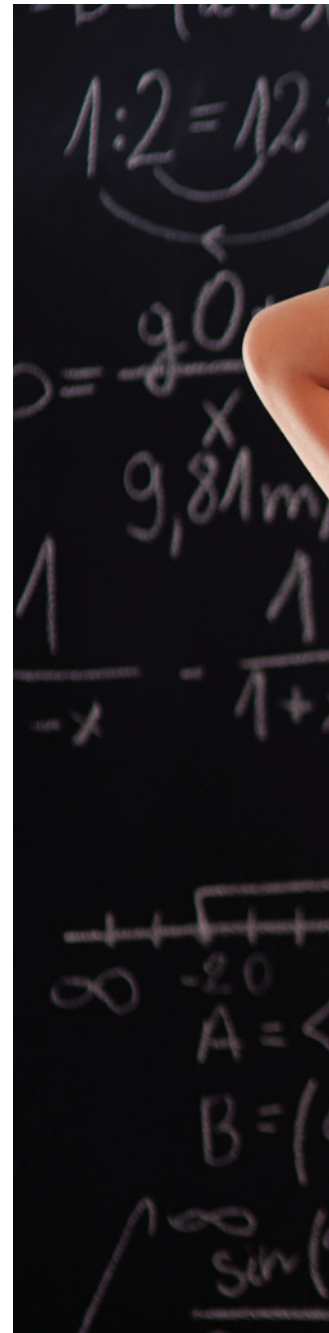
#### JUSTIN DRAEGER

##### PRESIDENT

National Association of  
Student Financial Aid  
Administrators (NASFAA)

But as the program continues to grow, so does its costs. The increase has been so great that in recent years Congress has struggled to find enough money through the annual appropriations process to fully fund the grant for all eligible students. The shortfall has led to an ever-increasing number of eligibility changes aimed at lowering the cost of the program by making certain students ineligible. Unfortunately, these changes were not designed to better target funds or help students attend college, but to meet an underlying budget goal. The primary intent of recent major programmatic changes to Pell is, sadly, to solve a math problem.

Since 1976, the number of Pell recipients has grown by a whopping 470%, with the majority of that growth happening in the last five years. In the 1976-77 award year, 1.9 million students received a Pell Grant. By the 2000-01 award year that number had grown to 3.9 million students. Fueled by legislation enacting more generous student eligibility criteria in 2007 (most of which have since been repealed) and a deep economic recession that drove Americans back to school, the number of Pell recipients has grown even faster in recent years, ballooning to more than 9 million students in 2010-11.





This growth has not gone unnoticed in a fiscal climate where nearly every discretionary dollar is scrutinized by both political parties. In the 2000-01 award year, the U.S. spent \$8 billion on Pell Grants. Last year, that number was \$35 billion, an increase of over 330% in just 10 years. As a result, lawmakers on

The shortfall has led to an ever-increasing number of eligibility changes aimed at lowering the cost of the program by making certain students ineligible.

both sides of the aisle are concerned about the rapid growth in program costs. Most Pell-watchers expect additional changes to the program in the near future.

Herein lies the biggest challenge to the sustainability and future of the Pell Grant program: how do we protect the value and integrity of the program while at the same time managing future growth? Here are four recommendations:

### **AVOID OVERREACTING TO PELL COSTS**

While the Pell Grant program has experienced rapid growth in recent years, that growth is expected to level off over the next decade, according to the nonpartisan Congressional Budget Office (CBO). While the costs of the program increased most rapidly from 2008 to 2010, from \$18 billion to \$38 billion, the majority of that growth came from the recession (40%) and the expansion of Pell Grants to students year-round (22%).

Since 2010, the economy—and college enrollments—has stabilized, and year-round Pell Grants, which

proved very costly, have been repealed. After peaking in 2011, the CBO now projects that the costs of the program are expected to decrease and then flatten through 2021. Cutting the Pell Grant any deeper will needlessly harm future students.

### **RECOGNIZE THAT BALANCING THE BUDGET WITH PELL IS MATHEMATICALLY IMPOSSIBLE**

Our national debt continues to grow at unprecedented levels, promoted by annual budget deficits that come up short on revenues and big on expenditures. Simply stated, we are spending nearly \$1.2 trillion more than we are taking in. If there is agreement on anything in Washington, DC these days, it's that our current annual budget deficits are unsustainable. In such a bleak fiscal environment, shouldn't every program be willing to take its fair share of cuts, including Pell?

In short, no. The idea that cutting a \$35 billion a year program will make any sizable dent in our annual deficit is not only mathematically impossible, it's penny-wise and pound foolish. At \$3.5 trillion a year, the vast majority of federal spending (more than 75%) occurs within mandatory programs like Social Security,

Cutting Pell Grant funding to balance the budget does more long-term harm than short-term good—and ignores the value of the Pell Grant as an investment.

Medicare, and other social welfare programs, military spending, and interest-only payments on the national debt. In fact, the majority of political infighting that

occurs each year is over a segment of federal spending that wouldn't balance the budget even if all spending was slashed to zero. Cutting Pell Grant funding or decreasing student eligibility standards without examining spending in other federal programs is a distraction from the true goal of a balanced budget.

Cutting Pell Grant funding to balance the budget does more long-term harm than short-term good—and ignores the value of the Pell Grant as an investment. The median weekly earnings of a baccalaureate recipient are 65% higher than a high school graduate, according to the Bureau of Labor Statistics. Even someone who attended some college but earned no degree earns on average 13% more than a high school graduate. These earnings equal higher tax revenue and ultimately more prosperity for everyone.

### **LEGISLATE CHANGES THROUGH THE AUTHORIZING COMMITTEE, NOT THE BUDGET PROCESS**

In recent years, education policy has taken a back seat to budget policy. Year after year more significant changes to the federal student aid programs are enacted through budget and appropriation bills than through the committees that oversee the authorization and structure of these programs. This is a serious problem.

Do changes need to be made to the Pell Grant program? Yes, absolutely. Changes must be made to ensure the sustainability of the program, and to ensure that the program is meeting its intended goals and outcomes. But this is the role of a Congressional authorizing committee, not the role of an appropriations



committee. The benefit of using the authorizing process and committees to enact policy changes is twofold.

First, authorizing committees are in the best position to understand how changes to programs like the Pell Grant will affect students. Congressional committee members, and their staff, generally have long-standing histories on these committees and a deeper understanding of the programs. Knowing the program's recipients and intent means that the authorizing committees are far less likely to enact changes that result in unintended consequences.

Second, authorizing committees are designed to take a deliberative approach to policy changes. They hold hearings and consult with subject-matter experts, practitioners, and researchers to explore issues before making changes. For example, when the House Committee on Education and the Workforce and the Senate Health, Education, Labor and Pensions Committee consider legislation related to student aid, they often hold specific subject-matter hearings that enable committee members and staff to learn more about the topic by listening to experts and asking probing questions.

Compare this with budget-driven policies, where the end goal is to simply solve a mathematical equation, not necessarily to implement good policy. For example, in December 2011, Pell Grant eligibility criteria were changed in a last-minute appropriations bill to decrease lifetime Pell eligibility from nine years to six years. Many advocates felt the move was justifiable and that most students should be able to complete their education within 150% of a program length. However, the change

was implemented retroactively for Pell recipients, meaning even if students were one semester away from earning their degree, they would immediately lose eligibility under the legislative change.

Why not include a “grandfather clause” creating an exception for existing students, or at least currently enrolled students? Appropriators did not intend to harm students, but a grandfather clause wouldn’t allow them to meet the necessary budgetary numbers. The result? An estimated 100,000 students have lost Pell eligibility without any consideration of their proximity to graduation. That is what happens when students become numbers.

### INCREASE PROGRAM PREDICTABILITY

The rate of change in the federal student aid programs has increased exponentially due to budget restrictions. In 2011 alone, students and parents likely experienced whiplash as three separate bills enacted changes to the federal student aid programs.

The unpredictability of program funding has turned an already complex and intimidating process into an even more dizzying maze. In April 2011, more than halfway through the federal fiscal year, Congress still had not yet funded the Pell Grant program even though disbursements were scheduled to be released in little under a month. How can students and parents plan ahead and budget for college payment when we cannot even provide financial aid estimates from month to month, let alone year to year?

Students and parents deserve more predictability in student aid funding. Proposals to increase

predictability in the Pell Grant program include changing funding from discretionary to mandatory to providing multi-year funding streams. Others have proposed a “Pell Promise” for certain low income, traditional-age high school graduates.

An estimated 100,000 students have lost Pell eligibility without any consideration of their proximity to graduation. That is what happens when students become numbers.

These proposals all have one thing in common: they increase predictability for students and help families plan and budget for their college education.

### BUILDING ON FUTURE SUCCESS

The Pell Grant program is one of our most successful social programs because it focuses on self-improvement and makes meaningful investments in the most vulnerable populations. Nearly 75% of all Pell recipients come from families with annual incomes of less than \$30,000 per year. These funds are well targeted, much needed, and one of the best investments we can make in future generations.

As a country, we must continue to build on this success. We must shift gears and take the time to examine current and future spending estimates in context. We must refuse to balance the budget on the backs of students and resolve to enact policy changes through the authorization process. Taking these steps will increase stability and predictability for students and parents and ensure this program succeeds for another 40 years.



## The Role of Pell Grants in an Era of Rising Tuition Prices

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*As I reflect on 40 years of Pell Grants, I see a very different higher education landscape than was in place when the Basic Educational Opportunity Grant (BEOG) program—later renamed Pell Grants, after its chief champion, Senator Claiborne Pell of Rhode Island—was first created.*

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DONALD E. HELLER

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DEAN

College of Education, Michigan  
State University

Attending college has become much more important for students graduating from high school, and at the same time it has also become much more expensive for them and their families. This increased necessity for postsecondary training, combined with the increasing inaccessibility of a college degree for students from low- and moderate-income families, threatens the fabric of American society.

More and more jobs in our economy require some form of postsecondary training, and the wages paid to workers reflect that preference. Since 1971, the earnings premium for those holding bachelor's degrees—the extra income earned by a college graduate compared to those workers possessing only a high school diploma—has skyrocketed. For men, the premium for college graduates increased from 43 percent to 105 percent; for women, it went from 84 percent to 123 percent (Heller, 2011). This signaling effect of the college wage premium has

...A couple of years after its 1972 creation, the maximum grant covered approximately 85 percent of the cost of attendance at a public four-year university.

been well recognized, as the media has reported this trend and the demand for college participation has responded to it.

At the time the creation of the BEOG program was being debated in Congress, most states operated their

higher education systems utilizing the “low tuition/low aid” theory of funding. The price of college was kept universally low, in order to ensure access for all citizens of the state. The price was by no means zero; most public colleges and universities did charge some tuition fees, and imposed charges for room and board. But tuition prices in this era were relatively modest, and posed a barrier to college access primarily for students from the poorest families. And it is these students that the BEOG program was designed to help.

The original BEOG grants helped close the gap between what the poorest students could afford to pay for college—generally zero dollars, or little more than that—and the cost of an education at the average public four-year university. This helped ensure the potential for almost universal access to a baccalaureate degree program. Once the BEOG program was fully funded, a couple of years after its 1972 creation, the maximum grant covered approximately 85 percent of the cost of attendance at a public four-year university (College Board, 2001). The assumption was that this foundation, when combined with whatever resources the student could provide, a small state grant, perhaps some work study, and a very modest amount of borrowing, would help eliminate the cost barriers to college.

Since these halcyon days of the BEOG program, two trends have emerged. First, tuition prices have risen at rates well in excess of inflation, and in excess of almost every other good or service in the economy. Since 1971, average tuition prices at public four-year colleges and universities have increased from \$376 annually

to \$7,020 in 2009, an increase of 1,767 percent. Tuition at community colleges increased 1,225 percent, from \$192 to \$2,544. The consumer price index increased 432 percent during this same period (Heller, 2011).

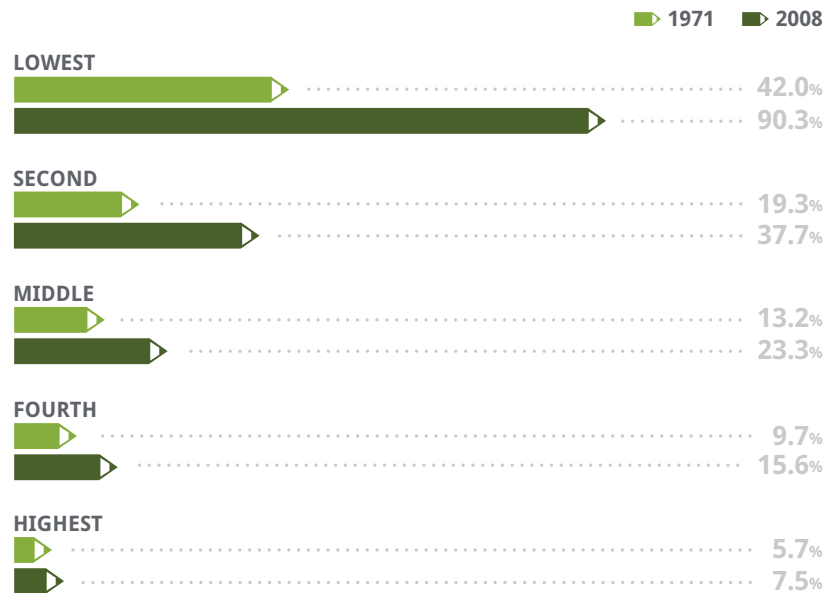
To understand the impact of changing tuition prices on college affordability, it is best to examine them in relation to the ability of students and their families to pay those prices. For while tuition increases over time, so do family incomes. But like inflation, incomes have not grown nearly as fast as have college prices. In addition, income growth in the country over the last four decades has been uneven, with—as many

But the bulk of this increase has gone primarily to expanding the number of students served by the program, rather than for increasing the value of the awards.

observers have pointed out—higher income families enjoying more income growth than those at the bottom of the distribution.

Figure 1 shows the relationship between the average cost of attendance at public four-year institutions and family income in five income quintiles in 1971 and 2008. In 1971, the average family in the bottom income quintile (the poorest 20% of all families) had to come up with 42 percent of its income—either from its own resources or through financial aid—in order to afford to attend college. By 2008, this proportion had more than doubled to over 90 percent, or almost all of the family's earnings for that year. For middle income

## INCOME QUINTILE



**SOURCE:** Heller (2011)

**FIGURE 1:** Proportion of family income required to pay the cost of attending public four-year institutions, by income quintile, 1971 and 2008

families, the increase was from just over 13 percent of their income to over 23 percent. For families in the top income quintile, in contrast, the proportion increased from just 5.7 to 7.5 percent of income. As Figure 1 demonstrates, affordability decreased more as you move down the income ladder.

The second trend that has impacted college affordability has been changes in funding for the BEOG, and its successor, the Pell Grant, programs. The Pell Grant program has generally received relatively strong bipartisan political support from presidential administrations and Congress over the years. Funding for the program has increased at a huge rate over the last three decades, from \$926 million in fiscal year 1976 to just under \$30 billion in 2010, an increase of over 3,000 percent that dwarfs inflation and even the increase in tuition prices. But the bulk of this

The decrease in the real (inflation-adjusted) value of the maximum Pell Grant, along with the increase in tuition prices, has eroded the purchasing power of Pell.

increase has gone primarily to expanding the number of students served by the program, rather than for increasing the value of the awards. The number of students receiving Pell awards increased from 1.2 to 8.1 million, or 646 percent, between 1975 and 2009. The maximum Pell Grant rose by a much smaller factor over the same period, from \$1,400 to \$5,350, 282 percent, or less than the rise in consumer prices described above (College Board, 2011).



As noted earlier, the maximum BEOG award of \$1,400 in 1975 covered over 80 percent of the cost of attending a public four-year university. The decrease in the real (inflation-adjusted) value of the maximum Pell Grant, along with the increase in tuition prices, has eroded the purchasing power of Pell. By 2009, the maximum Pell award provided less than 35 percent of the cost of attendance. This erosion in the purchasing power of the Pell Grant means that it no longer

Increasing the maximum Pell award to help restore its purchasing power to earlier levels is the best way to help ensure access to and success in college for the current and future generations of students from financially-needy families.

provides that solid foundation which would allow the poorest students to be able to attend a four-year college with little other grant support and modest amounts of student loan borrowing.

While state and institutional grants have increased over the last four decades, their targeting is very different from that of the Pell Grant program. Until 1992, over 90 percent of all state grant dollars were awarded based on financial need, as are Pell Grants. Since then, however, funding for grants awarded by the states using academic criteria, rather than financial need, has grown much faster than funding for need-based grants. In 2010, 29 percent of state grant dollars were awarded without consideration of financial need (National Association of State Student Grant & Aid Programs, 2012).

Institutional grant aid has shown a similar pattern. In 1995, 65 percent of all grants provided by colleges and universities to undergraduate students were awarded based on financial need criteria. By 2007, this proportion had dropped to 45 percent (Heller & Callender, 2010).

In contrast to state and institutional aid, Pell Grants have remained focused on students with financial need. In an earlier publication, I reported that 98 percent of the Pell Grants awarded to dependent (traditional) college students in the 2003–2004 school year went to students in the bottom half of the income distribution, with 81 percent going to the poorest 25 percent of students (Heller, 2006). For state grants, only 75 percent went to students from the bottom two income quartiles, and for institutional grants, over half of the dollars awarded—54 percent—went to students from families with income above the median.

Given recent trends, it is unlikely that we can rely on states and higher education institutions to help supplement the foundational grant status that had been supplied by BEOG and Pell Grants in prior generations. Increasing the maximum Pell award to help restore its purchasing power to earlier levels is the best way to help ensure access to and success in college for the current and future generations of students from financially-needy families.

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# Pell and the Merits of Need-Based Student Aid

*As the nation celebrates the 40th anniversary of the Pell Grant Program (Pell) and the legacy of service by its author and namesake, the late Senator Claiborne Pell, we benefit from reflecting on the tremendous merit of need-based student financial aid.*





Undoubtedly, Pell has widely expanded access to postsecondary education to millions of low-to-moderate income families from every community of this great nation. For policymakers and educational leaders, Pell exemplifies the classic purpose of need-based aid—

Pell exemplifies the classic purpose of need-based aid—making college affordable for low-income students who are otherwise qualified to enroll in college. It is the epitome of good public policy.

making college affordable for low-income students who are otherwise qualified to enroll in college. It is the epitome of good public policy.

For individual students, and more specifically the 60 million students who have received grants over the past four decades, Pell is very personal. It represents their private key, unlocking the doors of opportunity to a higher education. Pell enables their unique journey through college into a lifetime of opportunities that come from the pursuit of an education beyond high school. For each of these

students, Pell validates their aspirations and singular life experiences. It affords students the right to believe that they are no less meritorious, no less deserving of enrollment in postsecondary education than are their classmates from more affluent segments of society.

This was certainly true for me. My journey to college, and into a career of service to others, could not have been possible were it not for Pell. My family immigrated to the United States in 1969 and for the next nine years, moved from town to town, from Texas to California, in search of seasonal migrant farm work. The annual migration did not align with the academic calendar. Therefore, an interrupted school year, different curricula, and constant relocation were common for migrant farm workers like us. My parents insisted that the younger children attend school, even if our stay in any particular town was short lived.

One fall we stayed in a town for three school days. On the first day we registered for school; on the second day we tested (for grade placement) and received the required health inoculations (even if we had already received them at the previous school); and on the third day, we attended class. Unable to

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JACOB FRAIRE

ASSISTANT VICE PRESIDENT

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find work during this three-day period, my parents went to our school on the fourth day to thank the school staff and inform them that we would be moving later that day.

Thankfully, when I began high school our family's migration ended. However, the great gulf of an interrupted education and realities of living in poverty remained. Then, my luck changed. A little known federal program, the College Assistance Migrant Program, along with student financial aid grounded in Pell, provided the successful combination of need-based aid and student support services that not only made college enrollment possible, but also forged a viable, meaningful pathway for the journey to and through my postsecondary education. I received Pell support each of my four years as an undergraduate student.

I share this story to accentuate a reality for countless students whose education is interrupted for reasons beyond their control. Students want to learn. Studies have dispelled the myth that some parents do not value education. Studies have also affirmed that parents of all income levels have high aspirations for their children and want them to obtain a college degree. To suggest any person would purposely or willingly neglect their own, or their children's education, demonstrates a lack of comprehension for the imminent needs of our nation's poor. Worse, it reflects an elitist viewpoint that has no place in public policy. Still, these are but some of the arguments articulated by those who would advance policies to replace need-based aid with merit.

Inarguably, merit-based aid has a role in higher education. Certainly, academic institutions and private foundations have the prerogative to allocate resources to advance their respective missions and priorities. The issue in question is the use of public funds for merit-based aid at the expense of need-based student aid. In an ideal economic world, there would be ample resources for Pell, other need-based aid programs, and for merit-based assistance to bolster specific public priorities, such as the production of more degrees in science, technology, engineering, and mathematics. However, as policymakers in Washington, DC and every

Arguably, a policy of exclusion is not good public policy and effectively undermines the long-term economic viability of our state and nation.

state capitol know too well, we do not live in ideal economic times. With the advent of deficit reduction measures, the pressure to prioritize funding for some areas over others will almost certainly pit need-based aid against merit aid.

My home state of Texas illustrates the tension between need-based and merit aid. Texans are heavily dependent on federal student financial aid to help pay for college. In the academic year of 2010–2011, approximately \$2.5 billion in Pell and \$5.4 billion in federal direct loans was awarded to Texas residents. Earlier, Texas leaders recognized that for the state to advance its college enrollment and completion goals,

it would need to appropriate additional funding for student aid. In 1999, the Texas Legislature created the TEXAS Grant Program, which would later become the state's largest student aid program.

Initially, the grant eligibility criteria were straightforward; to be eligible, students had to graduate from high school with the college-prep curriculum (Recommended or Distinguished High School Program) and demonstrate financial need (as reflected on the Free Application for Federal Student Aid). For the number of high school seniors at that time who were earning a recommended or distinguished diploma, TEXAS Grant funding was appropriate. However, over the next decade as more students graduated with the requisite diplomas, the grant program's funding could not keep pace with demand. In 2011 at the urging of the Texas Higher Education Coordinating Board, the Texas Legislature amended the TEXAS Grant statute to require institutions to give first priority to those students who met the new merit-based criteria.

Under the new law, students must meet two of four new academic criteria: (1) graduate in the top third of their high school class or earn a 3.0 GPA; (2) achieve a college readiness score on an approved college entrance exam; (3) complete college-level courses while in high school; and (4) complete an advanced math course. Supporters of the new statute wrote:

*This reform is designed to reward financially-needy high school students who put in the hard work necessary to achieve college readiness, and to increase the state's*



*return on its investment by prioritizing funding toward those students most likely to complete their degrees.*

The new statute takes effect in academic year 2013–2014. The program retained its need-based component—at least for now. However, students who do not meet the new academic criteria are effectively excluded from these grant dollars. To be clear, the law does not make these students ineligible to enroll in a Texas college or university; nor does it preclude students from finding other ways to pay for their college education, such as increasing their dependency on student loans. The tragedy is that on average, Texans already are more dependent on federal educational loans than students in other states.

The long-term repercussions for those who will lose TEXAS Grant aid are of particular concern. Do we really intend for these students to go deeper into debt to pay for a college education they rightfully deserve? Are we really willing to accept their eventual exclusion from higher education? Arguably, a policy of exclusion is not good public policy and effectively undermines the long-term economic viability of our state and nation.

Fortunately, these students will continue to be eligible for Pell. For them, and countless others who have tirelessly pursued their college dreams in spite of increasing college costs and decreasing need-based aid, I say thank you, Senator Pell. Equally deserving of our gratitude are those policy-makers, from both sides of the aisle, who support Pell funding year after year. The Pell legacy honors the merits

of need-based student financial aid, and for that, we should all be thankful. As we look ahead to the next reauthorization of the Higher Education Act of 1965, it is imperative that our nation's policy and thought leaders maintain that legacy and shun any temptation to “reform” Pell in such a way that it loses its hallmark focus on need-based aid for all students.

# Dreams Do Come True



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MARTHA KANTER

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UNDER SECRETARY  
U.S. Department of Education

*On June 23, 1972, Senator Claiborne Pell stood with various Members of Congress to mark the signing of legislation that would change the course of history for millions of students from low-income families in the years to come.*

At that time, I was a high school teacher and quickly saw firsthand the power of the Pell grant to change the future, not only for my students but thousands upon thousands of students throughout our nation.

On June 19, 2009, 37 years later, when President Obama nominated me to be the first community college president to serve as Under Secretary of Education, I promised myself I would do everything I possibly could to expand educational opportunity for all, especially for students from our nation's low-income families. I was confident that our

Administration would make it a priority to help “the top 100% of students” seeking higher education, not just those who could afford it. Since then, our work at the U.S. Department of Education has been dedicated to increasing student access, college affordability, quality, and achievement by using the levers of change at our disposal to incent students, families, institutions and states to dramatically improve education at all levels to create more stories of success, of students overcoming the hardships of their economic circumstances, of students

I promised myself I would do everything I possibly could to expand educational opportunity for all, especially for students from our nation's low-income families.

breaking through barriers to become the graduates, employees, and civic leaders in which we can all take pride, of students who will lead us well through this new century, of students who understand that going forward, they will carry the responsibility to ensure a quality education for the next generation, and the next, and the next.

What follows is the story of a young woman who exemplifies millions of students over the last 40 years who would not have gone to college without the support of the Pell Grant.

Just as most successful Americans can point to at least one teacher, mentor, or role model who changed their lives, nearly all successful college professors and

presidents can point to thousands of students whose lives were changed by higher education.

In 2002, while leading De Anza College in Cupertino, California, I gave the President's Award for Distinguished Achievement to Brenna Candelaria. Brenna was a Pell Grant recipient. She was selected after a rigorous review by the De Anza campus awards committee. On the stage at graduation, Brenna told the audience of 5,000 students, family members, friends, faculty, administrators, and trustees her story.

*“I am a single parent. De Anza has helped me discover my love of learning. Before I came to De Anza, I never hoped to achieve anything as amazing as an education. No one in my family had graduated from college. My paternal grandfather, Benjamin Candelaria, was a Mexican-American who grew up working on farms in Southern California before enlisting and serving in the U.S. Navy. He then moved to the Mission District in San Francisco and worked in a factory to provide for his three children as a single parent. My maternal grandmother moved here from Italy as a child and established roots in the Bay Area.*

*I grew up in the Bay Area and experienced early childhood trauma and abuse. I ran away a few times, and the final time was the summer before my senior year of high school to live with a family that made me feel safe. Eventually though, I dropped out of high school, became homeless, and got pregnant.*

*Later, my mother and I reconciled. She worked two jobs so I could attend school while living in a small*

apartment in San Jose. When my son was 8 months old and I was 21, I graduated from an adult high school program and enrolled as a full-time student at De Anza College. I maintained a high GPA because of the school's amazing teachers and academic counselors.

I was diagnosed with learning disabilities and was able to get help from De Anza's Educational Diagnostic Center. I became an editor for the Red Wheelbarrow,

The Pell Grant program is essential to enable success for that top 100% of our nation's students seeking the opportunity to enter an accredited college, university or postsecondary training program. It changes lives. It makes dreams come true, and it creates a better America.

De Anza's Literature and Art Magazine. I've spoken at diversity workshops throughout the community about being a single parent on welfare going to school. I'm involved in a program called Lifetime, an agency that promotes low-income families attaining empowerment through education. I volunteer at the Second Harvest Food Bank. But my main focus continues to be succeeding as a parent and as a student."

Brenna transferred from De Anza College to the University of California-Santa Cruz (UCSC). Five days a week, she took two different buses with a 4-year old, stroller, backpack heavy with books, and a diaper bag to get to UCSC. Day after day, she struggled to put food on the table and keep her

grades up. She told me this year, "The Pell Grant gave me hope that I could achieve more than being a single mom on welfare."

Brenna graduated from UCSC with honors and now works at the University. What would have happened to her and her son if the Pell Grant had not been available? The Pell Grant program is essential to enable success for that top 100% of our nation's students seeking the opportunity to enter an accredited college, university or postsecondary training program. It changes lives. It makes dreams come true, and it creates a better America.

In early 2009, the idea of dramatically growing the Pell Grant program seemed naïve to many in higher education and beyond. Today, too few seem to remember just how perilous a state our nation's economy was in when President Obama assumed office in January of that year. More than 500,000 jobs were being lost each month. The stock market had fallen over 60 percent the previous four months and appeared to be headed further downward. Housing prices were down more than 30 percent. Nearly every major financial institution was grappling with massive losses, many confronting insolvency. Consumer confidence was badly shaken, leading to an across-the-board drop in economic demand. Gross Domestic Product was falling over 6 percent a quarter. The country truly faced a looming depression. Pell Grants were not at the top of the political agenda.

History will record that the Obama Administration spared this country a depression in large part with

As my student told me, "The Pell Grant gave me hope that I could achieve more than being a single mom on welfare."

the help of the \$787 billion American Recovery and Reinvestment Act passed on February 13, 2009. But President Obama did not simply seek to bolster demand temporarily with short-term tax cuts and increased government spending. He simultaneously invested in building a new foundation for the American economy. Nowhere can that investment be seen more than in education.

Nearly one in six in Recovery Act dollars was dedicated to education. The Pell Grant program saw a \$17 billion infusion of funds to help millions of unemployed workers and struggling families pay for postsecondary education and training. Moreover, recognizing that Recovery Act funding was only going to be temporary, in 2010 the Obama Administration and Congressional Democrats led by Representatives George Miller (D-CA) and Tom Harkin (D-IA) advanced a massive change to the federal student loan program that financed an additional \$40 billion for the Pell Grant program over the next ten years. We shifted needless and very large government subsidies away from lenders and directly helped needy students like Brenna. Subsequent budget negotiations with Congress brought billions more to the Pell Grant program.

Today, 9.6 million students with Pell Grants are enrolled in postsecondary education; that's 3.6 million more than on the day President Obama took





office—more than a 50 percent increase. Applications from students in the lowest income group, those with family incomes of less than \$10,000 a year, are increasing at twice the rate of application growth overall. The maximum grant for almost 10 million students is nearly \$1,000 higher since 2009, and it's headed toward a total of almost \$6,000 a year. The Obama Administration, with the support of Congress,



is responsible for the largest three-year increase in the history of the Pell Grant program.

Most striking is that there are now 3.6 million more Pell Grant recipients in three years. It's a hard

number to appreciate. But imagine yourself going to watch your favorite professional baseball team or football team—the Red Sox, Steelers, or whomever you like. And imagine yourself sitting in your favorite team's stadium, sold out, every seat filled with cheering fans. See all those faces in the crowd? Now imagine all those cheering fans are students, kids right out of high school, middle-aged adults going back to school, African-American students, White students, Latino students, male and female. Now imagine every major league baseball stadium in the country, every NFL football stadium in the country sold out, filled to capacity. Imagine every seat filled with a student and every one of those students a new Pell Grant recipient. That's 3.6 million.

How many of those 3.6 million are like Brenna Candelaria? How many will have the stories of success to move our nation forward? How many will change the world? How many dreams will come true?

Most Pell Grant recipients also assume student loans and these loans would be much higher without the Pell Grant program.

The Pell Grant program still confronts major challenges going forward. In fact, over the last 40 years the Pell Grant program has confronted three major threats and they are all present today. The first is operational. Is the Pell Grant investment providing a reasonable return from our graduates to our nation's prosperity, security, and civic life?

Most Pell Grant recipients also assume student loans and these loans would be much higher without the Pell Grant program. Whether Pell recipients can pay back those loans is an important consideration in looking at the success of the program. For every 100 students who graduated from a public or private four-year college in 2007–08, there were three former students of those institutions who entered repayment in 2007 and defaulted within three years. For every 100 students who earned an associate's degree from a public community college, there were five former students who defaulted. For every 100 students who earned a degree or certificate from a for-profit institution, there were twenty-nine who defaulted. We need to ensure that the Pell Grant leads to successful lives, not a loss of our investment and lives of debt management.

Consider also whether we are where we want to be in terms of college completion numbers and rates. Today, almost one out of two students receives a Pell Grant. And yet, only 58 percent of all first-time, full-time students (including Pell recipients) attending a four-year institution earn a bachelor's degree within six years of initial enrollment. For two-year degree program students, the completion numbers are even lower. And overall, only nine percent of first-generation postsecondary education students from families in the lowest income quartile earn a college degree by age 26. Some college is beneficial, but there are substantially greater financial and personal rewards associated with degree completion. According to 2006 data, young adults with a bachelor's degree earn 28 percent more than those

with an associate's degrees and 50 percent more than those with only a high school diploma—a percentage that translates into a million dollars in additional earnings over a lifetime.

We have to improve postsecondary completion levels. President Obama has set an ambitious goal for our nation that, by 2020, the United States will—once again—lead the world in the proportion of 25 to 34 years olds with a college degree. The Pell Grant program must be leveraged to help students reach

Time and again, research has indicated that the Pell Grant program does not drive tuition and fees upward. In fact, over the last 40 years, the maximum Pell Grant has increased 23 times, been cut 3, and level funded 14.

that goal by earning their degrees in far greater numbers than this generation has done. Today, forty-two percent of Americans hold college degrees. The 2020 goal would have us reach beyond 60%. College access is critical, but Education Secretary Arne Duncan and I call college completion our guiding North Star. College access is a false promise unless students persist and graduate!

The Pell Grant program's second major challenge is one of scale. Is the Pell Grant program's overall funding level sufficient to make higher education accessible and affordable for, in Senator Pell's own words, "any student with the talent, desire, and drive to pursue higher education"?

In 1980, the maximum Pell Grant covered 77 percent of the total cost of attendance for a four-year institution. It covered 99 percent of the total cost of attendance at a two-year institution. Today, even after the Obama Administration's investment, the maximum Pell Grant covers only 29 percent of four-year institution costs and 54 percent of two-year college costs.

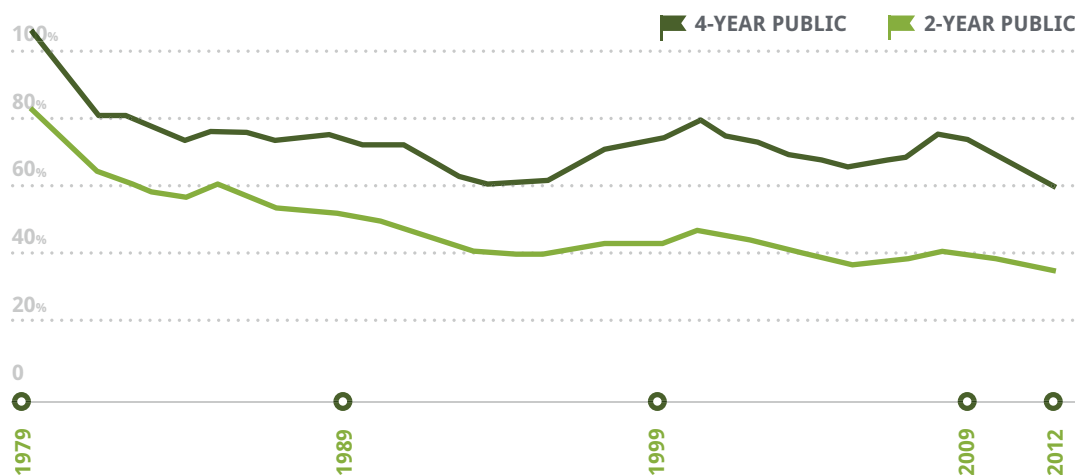
Pell Grant funding more than doubled during the first three years of the Obama administration and yet it also dropped from covering 36 percent of costs at public four-year schools to only 29 percent today, from 69 percent of two-year program costs to 54 percent today. Why? The rising costs of college (tuition and fee growth). It is not fiscally sustainable for the federal government to continue to extend higher education

access and improve college affordability without sharing this responsibility with state and institutions most responsible for the cost of college.

States have to stop balancing their budgets on the backs of students.

The Pell Grant program's third major challenge is debunking the common misunderstanding of how the program helps students afford college. Some ask whether the presence of a third-party payer for low-income and working class students—that is, the federal government in the form of the Pell Grant program—simply drive tuition and fees higher on a dollar-for dollar basis for all students, rendering

#### PELL GRANT MAXIMUM AS A PERCENTAGE OF 2-YEAR AND 4-YEAR PUBLIC COLLEGE COSTS, 1979-2014



the program meaningless for its recipients and counterproductive for all?

The answer is no. Time and again, research has indicated that the Pell Grant program does not drive tuition and fees upward. In fact, over the last 40 years, the maximum Pell Grant has increased 23 times, been cut three, and level funded 14. And yet in every one of those 40 years, college tuition and fees have gone up. The main driver behind rising tuition and fees at public colleges and universities is reductions in state funding for higher education. States have to stop balancing their budgets on the backs of students. But there are other drivers of higher education price for families.

In fact, it's our patriotic duty. For as Senator Pell would say, "The real strength of our nation lies not in all the gold in Fort Knox or in our weapons of mass destruction, but in the sum total education and character of our people."

Our higher education system does not do enough to foster on-time completion of a college education. Today, the average bachelor's degree student completes his or her degree in five years instead of four. We must take bolder steps to help students complete postsecondary education with greater efficiency. If we make it easier for students to transfer between two- and four-year colleges and among good quality institutions without the loss of academic credit, we could reduce cumulative

college price significantly for students, families, and taxpayers who subsidize them through the Pell Grant program and other means. Further, only half of full-time, first-time students complete college in six years on average, adding to our national challenges. We lose too many students and it's taking too long.

What's more, large percentages of students enter higher education underprepared and have to take developmental or remedial courses that far too often do not lead to a postsecondary degree. Worse, under-informed consumers choose institutions of higher education or programs that are a poor fit for their talents and combine very high costs with very poor economic, social or civic returns. We need to raise the rigor of high school academic preparation, get students to take their secondary school studies more seriously, and make the return on investment information much more transparent and widely available so families can wisely choose among postsecondary education and training options.

Institutions of higher education themselves also can and need to improve their productivity. We are beginning to see more and more cutting-edge higher education service delivery models that embrace blended online learning, dual enrollment, award of competency-based degrees, and other innovative practices. Innovative programs like those championed by the National Center for Academic Transformation, now working with over 200 colleges and universities, are achieving impressive student learning outcomes at a lower per-student cost. Some pioneering institutions are putting 3-year degree

programs in place, while others are guaranteeing students and families the full cost of the entire degree program upon entry.

The federal government can and should support all of these efforts. It can leverage its aid to support state investment in higher education. It can spur coordination among institutions of higher education and K-12 and higher education systems when it comes to credit transfer and academic standards. It can support the development and scaling up of new delivery models. Most of all, it can and should ensure a stable, predictable Pell Grant program indexed to the Consumer Price Index and not at the mercy of annual budget and political cycles.

The Pell Grant program does make dreams come true. But going forward, the Pell Grant program cannot continue to do so alone. States, students and families, colleges and universities, and the federal government each must do their part to improve college access, affordability, and quality. It's a shared responsibility.

In fact, it's our patriotic duty. For, as Senator Pell would say, "the real strength of our nation lies not in all the gold in Fort Knox or in our weapons of mass destruction, but in the sum total education and character of our people."

I couldn't agree more.

THE FEDERAL PELL GRANT PROGRAM:

# Alternative Futures

*The Pell Grant program provides need-based financial aid grants to 8.2 million undergraduate college students from low- and lower-middle-income families.*

TOM MORTENSON

SENIOR SCHOLAR

The Pell Institute for the Study of Opportunity in Higher Education

Pell Grants average about \$3600 and help students pay tuition and fees, room and board, books and supplies, and other living costs while attending college. National averages for these costs were \$14,600 at community colleges, \$20,300 at public 4-year universities, and \$40,500 at private 4-year colleges and universities in 2010–11. Pell Grants are the foundation of financial aid packages for the students that need the most financial aid to attend college.

The Pell Grant program costs about \$28 billion per year. This is a very big item among the domestic programs of the federal budget. Because of the federal budget deficit and the program's costs, it is under considerable critical pressure for reduced funding. The Obama Administration and Republicans in Congress are both advancing proposals to curtail the cost of this program and the resources this program provides to students from low- and lower-middle-income families. They are both wrong.

The Pell Grant program is in urgent need of expansion to effectively serve the rapidly-growing population of low-income students seeking higher education. The costs of doing so should not add to the federal budget deficit. The needs of the Pell Grant program are clear: (a) the low income share of K-12 enrollments is growing rapidly and is now over half of America's school children approaching college age, (b) the economy of the United States has been producing jobs mainly for workers with college training since the early 1970s and losing jobs for those with high school educations or less, (c) college costs have risen much faster than has the maximum allowable grant for the neediest students, and (d) the federal formula used to determine financial

need for students from the very lowest income badly overstates their ability to pay.

To address these challenges the current maximum Pell Grant of \$5500 should be raised to about \$12,000 to cover the same share of institutional charges of tuition,

The Pell Grant program is in urgent need of expansion to effectively serve the rapidly growing population of low-income students seeking higher education. The costs of doing so should not add to the federal budget deficit.

fees, room and board that were covered in the late 1970s. The needs analysis formula should be corrected to recognize the bread-winner role students from very low income families provide for their families.

The substantial resources needed to pay for these long overdue changes should come from two places: the states and the resources currently used by the federal tuition tax credits. The states have produced the quadrupling of tuition and fees charges that have occurred in public institutions since 1980. Persistent, pervasive and enormous reductions in state fiscal effort to support public higher education have forced public colleges and universities to increase tuition charges to students and their families. The states need to re-engage in making college affordable for their own citizens. The funding to increase the Pell Grant maximum award should be drawn from the states on a dollar-for-dollar matching basis—not exclusively from federal funds.



The second source for funding needed improvements to the Pell Grant program is the federal tax credits for college enrollment. These tax credits now total about \$17 billion, according to the New America Foundation. Few financial aid programs so poorly meet demonstrated student financial need to pay college attendance costs than do these tax credits. There is no needs test, and they can only be used as tax credits for those who pay taxes. So they miss those who need financial aid the most to pay college attendance costs.

Currently about 83% of students from the top quartile of family income—above \$106,000—complete a bachelor's degree by age 24. This compares to about 8% of students from the bottom quartile of family income—below \$36,000. That is a gap of 10 times, compared to a gap of five times 30 years ago. The true needs of the Pell Grant program have been ignored for three decades. Yet the low-income population is growing rapidly, and the human capital economy needs their productive labors for the country to prosper.

The substantial resources needed to pay for these long overdue changes should come from two places: the states and the resources currently used by the federal tuition tax credits.

Cutting the Pell Grant program diminishes our future. Restoring Pell Grants requires resources. These resources should be provided by the long-absent states, and the redirection the funds consumed in federal education tax credits. Limited funds must be directed toward those who clearly need them and not toward those who are not financially needy.



# What Truly is Unsustainable

*Every time I hear otherwise intelligent people say, “the Pell Grant is unsustainable,” I want to stick pencils in my eyes.*

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KATI HAYCOCK

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PRESIDENT  
Education Trust

I understand, of course, that annual expenditures on the program have grown enormously in recent years. And I get that, while costs are projected to remain relatively stable for the remainder of this decade, the relentless upward march of college costs means that, to keep pace, the program would have to grow in the decades to come.

But you’ve got to wonder: Nobody ever says the costs of the tax credits and deductions that help middle- and upper-middle-class students are “unsustainable.” Nobody ever says the tax programs that support building programs on private college campuses are “unsustainable.” Nobody even says the enormous and growing costs of incarcerating so many of the young people we fail to educate well are “unsustainable.”

Indeed, what truly is unsustainable is the yawning gap between who gets a college education in this country and who doesn’t. That hardly gets talked about at all. Instead, we pretend that we can somehow return to our position of global leadership

Indeed, what truly is unsustainable is the yawning gap between who gets a college education in this country and who doesn’t.

in educational attainment without honestly addressing the fact that low-income young people are earning degrees at one-seventh the rate—and Black, Latino, and American Indian students at one-third to one-half the rate—of their high income and/or White counterparts.

That’s what’s unsustainable, given the changing demography of this country. And it’s what all of us ought to be working to fix.

## CURRENT DYNAMICS UNDERMINE AMERICAN PRINCIPLES

We don’t have a minute to lose. These patterns are not just undermining economic growth, they’re threatening the principles we hold dear.

As Americans, we tell each other—and the world—two powerful stories about our country.

The first is that we are the land of opportunity: No matter whether your parents came here from India or you grew up in the hollers of West Virginia, if you work hard, you can become anything you want to be.

The second is a story of generational advancement: Through saving and hard work, each generation of parents can secure a better education—and a better future—for their children.

These stories are powerful. They are pervasive. But they are no longer true.

As a new round of cross-national studies is showing us, the United States is now one of the most economically unequal amongst all developed countries. The top 1 percent of Americans now takes home 18.2 percent of total income; while the bottom 40 percent collectively takes home only 12.5 percent. Among OECD nations, the U.S. has the fourth highest income inequality. And things have gotten much

The U.S. now has one of the lowest rates of intergenerational mobility in the developed world...

worse in the last several years, which have brought a veritable economic tsunami to Black and Latino families—whose median household wealth has declined by 53 percent and 66 percent respectively, compared to a decline of 16 percent among whites.

And it's not just worsening economic inequality. Since 1980, intergenerational mobility has fallen, as well. The U.S. now has one of the lowest rates of intergenerational mobility in the developed world, on par with Pakistan and Nepal. Indeed, it's now more likely than at any time in the past 50 years that if you're born poor in America you'll die poor.

### EDUCATION — NOT THE ONLY ANSWER, BUT A BIG PART

At the macro level, of course, better and more equal education is not the only answer. There are a lot of things that enlightened public policy can (and should) do.

But at the individual level, better education is indeed the main answer. As generations of African-American parents have told their children, “Education is the one thing they can never take away from you.”

Higher education is especially critical. As one recent study concluded, “Among those who have finished four years of college, there is no racial gap in economic mobility. Both Whites and Blacks experience very high rates.”

### A PERFECT STORM

Low-income students and students of color know this. Both they and their parents know they need a college education; aspirations for a college education have never been higher.

But students with limited means are facing a perfect storm. Tuition is skyrocketing. The Pell Grant's purchasing power is plummeting. And both states and colleges are shifting their grant dollars away from the students who need them the most and toward more affluent students who can afford to go to college without help.

If we were a rational country, policymakers here in Washington would be hard at work fashioning

...We've got to aim at radically increasing the number of low-income students and students of color earning college degrees.

policies to turn this situation around. Shoring up the Pell Grant would be at the top of our priority list. After

all, more than 9 million low-income Americans are relying on Pell to further their education.

Instead, the fashionable thing to say is, “Pell is unsustainable.”

Already, Congress has found ways to trim \$56 billion from Pell allocations over the next 10 years. Not satisfied to rest there, folks are still working to figure out even more ways to trim the program.

Cutting simply can't be our driving motivation. Instead, we've got to aim at radically increasing the number of low-income students and students of color earning college degrees. Yes, certain reforms might fix wrinkles in the program and enhance the likelihood

But that starts not with the rallying cry “Pell is unsustainable,” but with a call to action around doing whatever it takes to restore opportunity in America before it is too late.

that Pell students won't just start college, but actually graduate. And we would be insane not to consider ways to use federal leverage to encourage states and institutions to direct their resources, first and foremost, to students who can't attend without help.

But that starts not with the rallying cry “Pell is unsustainable,” but with a call to action around doing whatever it takes to restore opportunity in America before it is too late.



## Reflections on the 40 Years of the Pell Grant Program

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*Most people are surprised  
when I tell them that only 10  
percent of Americans held  
bachelor's degrees in 1965,  
when the Higher Education  
Act was passed.*

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FREEMAN A.  
HRABOWSKI, III

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PRESIDENT

University of  
Maryland-Baltimore County



When I was growing up in the '50s and '60s in Birmingham, Alabama, as the son of African-American teachers, my friends and I rarely thought about that statistic, but we knew that our teachers, our principal, and the handful of Negro doctors and lawyers in the community were all college graduates. Through much of that period, the greatest concern in our community was that the 1954 Supreme Court school desegregation decision had really not been implemented 10 years later in our state. We certainly would not have been aware that only about 4 percent of African-Americans were college graduates. We did know, however, that most of our neighbors hadn't gone to college. Most Black and White families in Birmingham, as in other parts of the country, did not see college as a possibility for themselves or their children, concluding simply, "We can't afford it." The creation of the Pell Grant program in 1972 was instrumental in countering this perception and convincing many more people of all races that college was a possibility.

I will always remember my parents constantly talking with neighbors and friends about the importance of sending their children to college. I also remember the look of doubt on the faces of so many parents when

they thought about the possibility. Even today, many Americans have never seen anyone in their family graduate from college, and so it's understandable that they may still have doubts about the possibility. It is hard to believe in what we have not seen in the past, and so I especially remember how excited these working families became when they learned about the Pell Grant because it was a symbol of hope. Forty years ago, much like today, many low-income and working families were frightened of loans and taking on new debt. The Pell program offered a stable source of funding that freed them (and continues to

It is hard to believe in what we have not seen in the past, and so I especially remember how excited these working families became when they learned about the Pell Grant because it was a symbol of hope.

do so) from a significant portion of that burden. Its creation and continued existence has sent a clear message to low-income families that the nation considers it important for them to have a chance to go to college and pursue their dreams. The stability it has created has contributed directly to our nation's social and economic progress.

As we reflect on the impact of Pell Grants on American society, and as we look to the future, it's critical that we document the lessons learned about the students we have served as a result of Pell Grant support. At UMBC, more than 20 percent of incoming freshmen and more than a third of transfer students receive

Pell Grants. In significant ways, these Pell recipients are similar to the rest of the student population. They complete majors across all disciplines in virtually the same proportions as non-Pell students. Their high school GPAs are similar to those of non-Pell students when they enter, and they perform nearly as well as non-Pell students in their first semester, earning GPAs that are only slightly lower. They also have similar retention rates as non-Pell students early in their college careers. However, our new freshmen who are Pell Grant recipients are slightly less likely than non-Pell students to graduate in six years, with the drop off in retention becoming clear in the third year. This drop off is often related to financial need. About a third of our Pell Grant recipients are White, and we see that minority students are overrepresented. For example, though African-American students account for about 12 percent of our new freshmen, they represent more than 20 percent of the new freshmen with Pell Grants. The trend is similar among African-American transfer students, who constitute about 20 percent of the transfer population, but almost a third of the Pell recipients in that group.

Many Pell recipients are the first members of their families to graduate from college, and, regardless of race, they often face challenges similar to those underrepresented minorities have faced over the years. Institutions that are successful in educating these students have thought carefully about how to provide not only financial support but also academic and emotional support. Colleges need to examine and use the data in order to understand as much as possible about Pell recipients and other groups of students. For

example, are these students part- or full-time, what's the strength of their academic preparation, and did they begin their studies at the institution or transfer in after beginning at 2- or 4-year institutions? The more we know about these students, the more effective we can be in helping them to succeed.

Just as we should avoid making generalizations about students from racial or ethnic groups, we must be very careful not to generalize about Pell recipients. Their circumstances vary dramatically. Is the student from a family in which English is not the first language? Is the student from an urban or rural area? Does the student have parents who are supportive of the college experience? Is the student from a community that supports education or one that questions the value of college? And how has the student reacted to the media's heavy emphasis on debt? In some cases, students appreciate that the problem is being highlighted, while in other cases they begin questioning the need for college because of their concern about what they will do once they graduate.

My colleagues and I have found it helpful to listen carefully to the voices of students of all types as we've focused on effective student retention strategies. For example, at campus leadership retreats, we have included first-generation students of all races in panel discussions on diversity. Campus leaders—faculty, staff, and students—have talked with these students after hearing from them about the ways in which they have felt discriminated against or been made to feel different. One young woman said that when she mentions to other students she arrived by bus, students sometimes look at her in a way she

perceives as judgmental, not realizing how bad it makes her feel. A single mother returning to college related how she felt that she was being treated like a child, because of the way certain information was requested of her, or because faculty members assumed in some cases that she was not telling the truth. It has been very useful to hear those stories as we've worked to sensitize colleagues about the need to remember that students come from unique backgrounds—with different family circumstances and income levels, and from different age groups—and also that these and other factors must be taken into account when thinking about how to interact respectfully with everyone in our community. The

In many cases, Pell Grant recipients represent groups that need special understanding and support if institutions are to be effective in educating them and closing the achievement gap. Hearing their stories can provide useful information about how we can shape, and reshape, the culture of the institution—our values, our practices, the language that we use.

message is that no one way works for all students. In many cases, Pell Grant recipients represent groups that need special understanding and support if institutions are to be effective in educating them and closing the achievement gap. Hearing their stories can provide useful information about how we can shape, and reshape, the culture of the institution—our values, our practices, the language that we use.

We consider our institutional culture to be reflected in every aspect of campus life, guiding the questions we ask (and those we don't ask), the achievements we measure and highlight (and those we ignore), and the initiatives we support (or don't support). It has been my experience that institutions that care deeply about students will take the time to get to know as much as possible about their backgrounds—not only academic, but also the cultural context from which they come, involving such factors as geography, race, and religion. Over the years, we have come to appreciate how important it is for institutions to understand the perceptions of students from these different backgrounds.

Culture change at UMBC started most notably with the development in 1989 of the Meyerhoff Scholars Program for underrepresented minority students in science, technology, engineering, and mathematics (STEM). The program, which has been recognized as a national model for preparing research scientists and engineers, provides students with financial, academic, and social support while encouraging collaboration, close relationships with faculty, and immersion in research. It has also served as a catalyst for change across campus, leading to special scholars programs for high-achieving undergraduates of all races in the arts, humanities, public affairs, and STEM teaching.

The programs and support structures that are helping many students succeed academically at UMBC are also benefiting Pell recipients, particularly by creating environments that embrace differences among students. Students who avail themselves of

these programs and support structures become more closely affiliated with the institution and tend to have higher graduation rates, regardless of their Pell status. Success should be defined not only by grades and retention and graduation rates, but also by the extent to which a student develops a strong and positive sense of self in relation to his or her tenure at the institution. We have noted that Pell recipients who are part-time students have greater struggles than full-time students. One likely explanation is that they do not have time to take advantage of the programs and services that have proven so useful for other students.

In general, Pell recipients at UMBC are performing at similar levels as their peers. One reason is that our institution made a decision some time ago to identify students of all types who have the academic skills necessary to succeed. At the same time, the University decided two decades ago to put even more emphasis on K-12 outreach activities for low-income students, creating the Choice Program for first-time offenders, two Upward Bound programs for potential first-generation college students, and several NSF-sponsored programs focused on strengthening teaching and learning in challenging schools. The lessons we have derived from these outreach activities have informed the development of important aspects of programs for undergraduates that emphasize mentoring, along with social and academic support. UMBC has an active McNair Scholars Program focused on the success of low-income and first-generation college students planning to attend graduate school, and the Student Support Services program offers advising, tutoring, career counseling, and other forms of support for first-generation college

students, students from low-income backgrounds, and students with disabilities. The University recently started a chapter of MALES (Men Achieving Leadership, Excellence, and Success), an organization that provides young men with opportunities for mentorship, service-learning, and professional growth. The group, which includes large numbers of Pell recipients who have transferred primarily from community colleges, places a particular emphasis on helping male students develop leadership and communication skills, and a positive self-image.

We have found it helpful to ask groups of incoming students who among them are the first in their families to attend college. Students often are reluctant to raise their hands, but the point I make is that many of the most successful people in this country are first-generation college graduates. I tell them about how the dean of an Ivy League medical school told me he was the first in his family to go to college, and how college presidents have told me of similar backgrounds. When these students hear about such successes, it reaffirms for them the possibility

The point we make is that there is something noble about being the first or being in the first generation. The history of the American middle class is the story of families and young people taking this step.

of succeeding themselves. The point we make is that there is something noble about being the first or being in the first generation. The history of the American middle class is the story of families and

young people taking this step. Starting in the '60s and '70s, many siblings and children from other families were inspired by the success of those first graduates.

The past four decades have in many ways been an experiment in higher education, as the nation has encouraged more families of all types—based on race, ethnicity, and income level—to participate in higher education. (One lesson we still must learn as a country is the importance of using best practices in helping families complete financial aid forms and understand more about college costs and debt in relationship to the type of institution—e.g., public/independent/for-profit, in-state/out-of-state—and the level of resources of the families.) The nation reached a milestone earlier this year with the percentage of Americans with bachelor's degrees reaching 30 percent for the first time. However, this achievement comes at a time when other countries are outpacing the United States in educating their citizens: while Americans between the ages of 25 and 64 are behind only Norwegians in earning bachelor's (or equivalent) degrees, Americans 25 to 34 rank 12th internationally with other countries moving ahead of us in reaching this level of education. To stay competitive, America will need to continue increasing the number and range of people pursuing and completing college degrees. By knowing our students, and particularly the challenges confronting Pell recipients, and by giving families much more information about financial aid options and career opportunities for college graduates, colleges and universities will be able to continue making important contributions to this goal.

TO RESTORE PELL GRANTS IN PRISON IS TO RESTORE MY FATHER'S VISION OF

## Educational Opportunities for All

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*In 1972, Congress took a substantial step toward opening up the doors of higher education for all by establishing the Basic Education Opportunity Grant, now known as the Pell Grant.*

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### DALLAS PELL

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DAUGHTER OF SENATOR  
CLAIBORNE PELL

The man behind this legislation was my father, the late U.S. Senator Claiborne Pell, who championed the cause of educational opportunity for all, regardless of one's ability to afford it. By 1994, Congress eliminated access to Pell Grants to those in prisons. In an era where our public schools crumble and the cost of a higher education continues to rise, Pell Grant access for incarcerated individuals is needed now, more than ever.

As we celebrate the 40th anniversary of Pell Grants, we must recognize that denying incarcerated individuals access to these grants has a devastating effect on their ability to successfully reintegrate into their communities. Within three years of the Pell Grant removal, the number of higher education programs in prisons dropped from 350 to eight nationwide. Denying higher education opportunities while in prison makes it significantly more difficult

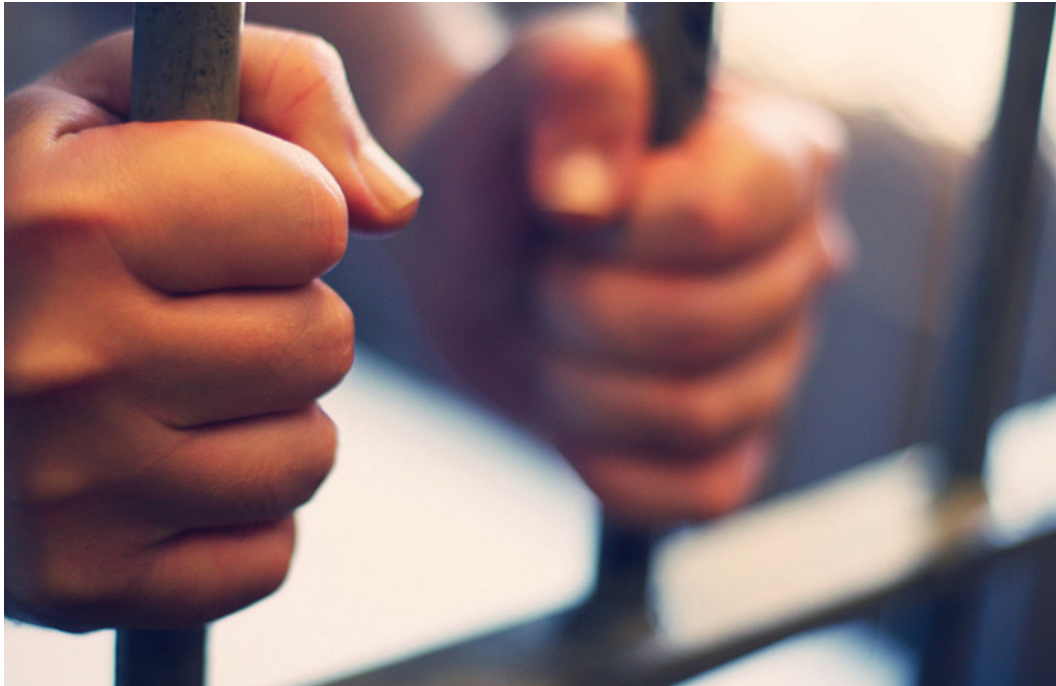
for this population to overcome employment and reintegration obstacles upon release.

When incarcerated people earn undergraduate and graduate degrees the likelihood that they return to prison drops dramatically, which is not only good for them but good for society. Why not make accessibility to higher education in prison a no-brainer? Reinstating Pell Grant accessibility significantly reduces recidivism rates. The United States incarcerates more people than any other nation, at 2.3 million people. Some 750,000 people are released from prison every year. Nearly 68% of those released are re-arrested within three years, and more than half of them return to prison. Incarcerated people who complete college courses while in prison improve their academic and personal skills—critical tools necessary to secure gainful employment after release. The U.S. Department of Justice agrees, calling prison-based education “the single most effective tool for lowering recidivism.”

The numbers speak for themselves.

If a person has earned a bachelor's degree while in prison, the likelihood that s/he will recidivate is reduced to 5.6%. Furthermore, for people who earn a





master's degree, the average recidivism rate is below 1 percent. Sing Sing's (a maximum security men's prison in upstate NY) recidivism rate is zero among the hundreds of men who have graduated from college

Pell Grant restoration to prisoners strengthens underserved communities, as formerly incarcerated people are most often released into communities that lack the capacity to provide them with employment or reentry assistance.

Pell Grant restoration to prisoners strengthens underserved communities, as formerly incarcerated people are most often released into communities that

lack the capacity to provide them with employment or reentry assistance. Without this help, incarcerated people are released absent the essential tools needed for a successful reintegration into society. Restoration also increases employment prospects, thereby reducing poverty for this group of people, as a higher education is increasingly required for jobs that pay more than a living wage. More than 50 percent of incarcerated people have children, and when parents participate in postsecondary education, the likelihood that their children will go to college increases. This creates more opportunities for multiple generations to climb out of poverty.

According to a 1997 study by the U.S. Department of Justice, every dollar spent on higher education in

prison returns \$2 to the public in corrections savings. Restoring Pell Grants is a winning proposition for taxpayers; denying these grants to people in prison is a losing proposition.

I hope that Congress honors my father's legacy and helps millions of incarcerated Americans gain a

...denying incarcerated individuals access to these grants has a devastating effect on their ability to successfully reintegrate into their communities.

second chance at living the American dream by restoring Pell Grants in prisons. This is the goal of the Education from the Inside Out (EIO) Coalition, of which I am a member. The EIO coalition is a nonpartisan collaborative of advocates whose mission is to remove barriers to higher education facing people in prison. The coalition educates policymakers and advocates for change in policies, including the restoration of Pell Grant eligibility for incarcerated individuals.

I am strongly committed to the work of the EIO coalition as EIO's vision, like my father's, is to provide educational opportunities for all. My father once said, "The strength of the U.S. is not the gold at Ft. Knox or the weapons of mass destruction that we have, but the sum total of the education and the character of our people."





## PELL GRANTS AS BUILDING BLOCKS OF AMERICA'S

# Opportunity and World Competitiveness

*It is fit to celebrate the 40th Anniversary of the Pell Grants in 2012.*

This year is also the 150th Anniversary of the Morrill Land Grant Act of 1862, which established Federal roles in partnering with states in higher education research and teaching, as well as community services of economic opportunity through agricultural, mining and manufacturing industrialization, and in the 20th Century through university “extension” and community colleges in every community in the nation.

In 2012, Pell inspired initiatives and proposal work to provide similar financial opportunities for today’s generation, including the Dream Act, student indebtedness reduction proposals and community college area economic development networks.

## UNIVERSITY STUDENT LEADERSHIP IN FEDERAL FINANCIAL ACCESS TO POSTSECONDARY EDUCATION, 1971–1972

On July 1, 1971, the 26th Amendment to the US Constitution lowered the voting age to 18 for both

state and federal elections, laying the basis for the first nationwide “youth vote” in local and national elections in 1972. At the same time, against the background of the Vietnam War, national and state university student organizations included advocates of both demonstration and legislative strategies on a range of issues. In the education arena, advocacy included women’s educational equality in what became Title IX in 1972, first-generation college-going educational opportunity including for minority populations and federal roles in financial aid going back to the Sputnik-spurred National Defense Education Act grants, loans, work-study programs beginning in 1958, and the GI Bill grant program after World War II, all as investment paths to middle-class standards of living.

Within the Washington, DC cauldron of issues, there was important bipartisan welcoming of the 18-year-old vote and interests in pragmatic ways to extend education opportunity, including the Health, Education

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LAYTON OLSON

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ATTORNEY  
Chicago, IL



and Welfare leadership of the Nixon Administration. The Pell Grant program arose from Senate bipartisan work of Sen. Pell, Sen. Javits, and others, working with Administration leaders and seeking to bring together Democratic and Republican House members.

Based on my experience as an attorney in economic opportunity programs in Chicago and through University of California networks, I helped lead the recently-organized National Student Lobby (NSL), which stated in its name its platform for working with Members of Congress and their staff on legislative issues. In building its identity in Congress, it gained strong support in the U.S. Senate for a resolution supporting Student Trustees for Colleges and Universities, including support from Senators who themselves had served in such roles in their youth. NSL strengthened its representation through regular legislative reports to more than 3,000 college student government associations. A core group received expenses, and many volunteer students came to Washington, D.C. and stayed in supported housing, thanks to a couple of benefactors.

While many in the higher education community advocated the adoption of the Basic Grant program, there was division among higher education associations which sought to expand college-administered grants rather than widen the eligibility pool to persons attending trade and technical schools. State student organizations had traditionally been in favor of no or low tuition at the state or local level, rather than raising tuition and adding financial aid for some. Crunch time came during

the 1972 spring break after the House-Senate conference narrowly adopted the BEOG program over the objection of House Democratic committee leadership. I clearly remember a several-week period of tense communication by national and state student networks to “hold the votes” of several House conference committee members with large public and private university constituencies.

### **CONSUMERISM AND STRUCTURING PELL GRANTS IN FEDERAL FINANCIAL AID PROGRAMS, 1973–1976**

The annual funding dynamics for the startup of Pell Grants (\$122 million in first year) and other federal student grant, work-study and educational opportunity programs (TRIO programs for first-generation college-going students) depended on keeping down federal expenditures for guarantee payments to banks for defaults on student loans, in both colleges and in proprietary technical schools, which were also increasing. The federal “student consumer” model supported “good choices” by students about entering college or training options having success in graduation, getting jobs and paying down indebtedness. The Education Amendments of 1972 set up a Fund for the Improvement of Postsecondary Education which included a Better Information for Student Choice innovation program, under which the National Student Educational Fund received multi-year funding for its Information Gap Project to identify information needs and best practices to assist students of many kinds, including full- and part time students, on entering programs, receiving financial aid and counseling.

With NSEF’s network of state and other public and private college student associations (including in California, New York, Virginia, Colorado, Oregon, Massachusetts, Texas, Pennsylvania, New Jersey, Illinois, Georgia, Maryland, and DC), a couple dozen young writers were commissioned to document practical information needed for students to invest their time wisely in academic programs and to receive financial aid and counseling. Models included student-produced financial aid handbooks in English and Spanish distributed by the California Student Aid Commission. Many “better financial aid information” recommendations were included in Student Consumer Information Amendments in Education Amendments of 1976. During these Pell Grant startup years, national student organizations strengthened relations with broad-based “full funding” efforts of K-12 and higher education associations, unions and special education programs, including working with college-based financial aid programs, College Board, ACT and educational opportunity associations.

### **FORMALIZATION OF STUDENT CONSTITUENCIES TO IMPROVE FEDERAL, STATE AND CAMPUS-BASED FINANCIAL AID ADMINISTRATION, 1977–1980**

Beginning in 1977, along with a push to create the U.S. Department of Education, U.S. Commissioner of Education Ernest Boyer created a Student Liaison office and hosted several Student-Commissioner Conferences focused on “students helping students” improve federal and campus student aid programs involving a cross-section of the nation’s student leadership. In a FIPSE-supported project, NSEF sponsored a nationwide competition to recognize the



best student-produced information for other students and potential students, with winners coming to D.C. Such initiatives included academic, counseling, financial aid and career information, including then-new “online” career information and financial aid information models.

Student leaders participated in the Frank Keppel Commission to merge electronic communication among Pell Grants and campus-based financial aid administered by College Board and ACT systems.

The challenge for Pell Grants today is to be a building block in an integrated opportunity system to enable the next generation of community college, four-year college and private certification and training program attendees to achieve measurable skills, join career and community networks by earning their way through school via work, community service and grants.

During this period, the National Student Association merged with National Student Lobby to create the U.S. Student Association, which continues today as a lead advocate for funding and good administration of federal financial aid programs ([www.usstudents.org](http://www.usstudents.org)). This period saw expansion of regular involvement of student leader “alumni” entering careers in financial aid and loan administration at campus, state and national levels, as well as staff of higher education associations and projects of many kinds.

### OPPORTUNITIES TO STRENGTHEN PELL GRANT AND OTHER FINANCIAL ACCESS TO HIGHER EDUCATION

Today’s fiscal constraints, demographics of an aging population, and needs for skill training and certification throughout careers present challenges to the basic social investment in human mobility as well as in productivity of society as a whole in a world economic environment. Several initiatives, however, address these challenges:

- Public understanding of Pell Grants as a core element of access to higher education and a middle-class standard of living;
- The lowering of interest rates on student loans, based on consolidation of student loan programs in 2009, along with public discussion about continuing affordable interest rates;
- Proposals for federal and state DREAM Act access to higher education (*see Illinois DREAM Act* <http://www.isac.org/home/illinois-dream-act.html>);
- Proposals for significant expansion of Student Loan Indebtedness Reduction and Earn Tuition opportunities through a number of public service programs;
- Expansion of community college skill and certification programs and Perkins Act vocational training tied to job demand;
- Expansion of community college area-based economic development and small enterprise

support networks, including those linked with U.S. Department of Commerce, SBA, and USDA state broadband and economic development initiatives;

- Proposals for use of public benefits, including unemployment benefits for training and small business enterprise programs, in an age in which nearly half of unemployment benefit applicants are engaged in part-time business activities, many of them web-based services, and
- Proposals for integration of libraries, digital textbook and Internet access for all as means to improve individual, family, business and civic productivity and lessen costs in health care and public safety, which provide the highest opportunities for individual and societal savings and standard of living improvements.

In particular, initiatives to increase digital literacy and Internet connectivity have the potential to increase college access and lower the costs of education. The challenge for Pell Grants today is to be a building block in an integrated opportunity system to enable the next generation of community college, four-year college and private certification and training program participants to achieve measurable skills, join career and community networks by earning their way through school via work, community service and grants. They should also be able to pay off education indebtedness, if any, within seven to 10 years of completion so that they are able to take on family, business and career responsibilities.

## Personal Connections

*My reflections about the Pell Grant are inextricably linked to my connections to the Fulbright Program. Senator Pell and Senator Fulbright were two men who gave their names to legislation that has changed the world.*

HEATHER EGGINS

MEMBER

Advisory Board of the Pell Institute  
for the Study of Opportunity in  
Higher Education

Senator Pell's name appeared as soon as I became interested in an abiding topic of mine: how to offer the opportunity of higher education to those in straitened circumstances; how to open the doors of postsecondary education to those whose families could afford to pay little or nothing towards the costs. The Pell Grant carried a resonance that, like the Fulbright Scholar, inspired respect. The work and vision of the man behind the bill which enabled the Pell Grant to be established was, like that of Senator Fulbright, revered worldwide.

I first became aware of the work of Senator Fulbright as a young person growing up in the UK and developing, in my university years, a compelling interest in higher education policy. I met, from time to time, colleagues who mentioned in passing that they were Fulbright scholars, and I would wonder at the significance of this. It was clearly significant: others were notably impressed.

As time passed, I read more concerning the work and vision of Senator William Fulbright. The Fulbright Program was his brainchild. He proposed a bill in 1945 to use the proceeds from the sale of surplus U.S. government war property to fund international exchange between the U.S. and other countries, thus promoting peace and understanding between nations. The bill was signed into law by President Truman in August 1946. Congress thus created the Fulbright Program, the largest education exchange program ever. Its aim is to increase mutual understanding between the people of the United States and other countries through the exchange of persons, knowledge, and skills. The grant program has been remarkably successful: of its alumni, 43

have been Nobel Prize winners, 10 have been elected to Congress, and 18 have been Heads of State.

Indeed, the work of both Senators Pell and Fulbright has been concerned with creating a world in which knowledge and skills are better utilized. The Fulbright scholarships are granted to American citizens who pursue their study abroad, and to non-U.S. citizens who study in the U.S. Universities throughout the world are proud to host Fulbright scholars and have done so since their inception. The Pell Grant is available to American citizens, but the success of it may well have influenced the thinking of other governments. Canada has recently introduced a federal student support grant for students from low- and middle-income families, which

The vision of both men, born variously in 1905 (Fulbright) and 1918 (Pell), came out of those generations of Americans who sought, through government processes, to make a contribution to social justice by offering new opportunities for advancement to U.S. citizens.

has some similarities with the Pell Grant. The Canada Student Grant has been consolidated from many different small grants, and offers a secure financial base for the student during the years of undergraduate study. It supports some 245,000 students per year.

The Act initiating the Pell Grant was passed in 1973, at a time when low- and middle-income students were finding it difficult to fund a college education. Claiborne Pell had come to the Senate in 1960, after a varied career, one element of which was spent in investment banking during the 1950s. He was well

aware of the strains on college-based financial aid in the late 1960s, and became involved in 1972 in preparing amendments to the Higher Education Act going through Congress that year. The grants for which he was the primary sponsor were first named Basic Educational Opportunity Grants and were renamed in his honor in 1980 as Pell Grants. Their effect on individuals has, like the Fulbright grants, been transformative, enabling educational opportunities to be grasped that would have been beyond reach.

The vision of both men, born variously in 1905 (Fulbright) and 1918 (Pell), came out of those generations of Americans who sought, through government processes, to make a contribution to social justice by offering new opportunities for advancement to U.S. citizens. In a curious way, their work can be seen as a response to the very modern realization that the world is global, highly interconnected, and that the ability of each country to enable all their citizens to maximize their skills' potential is economically vital for the success of that country in future generations. Pell understood that the children from every level of society and every ethnic background have the same range of IQ, from the highest socio-economic group to the lowest such group. The trick for each society is to enable those highly gifted children from disadvantaged backgrounds to access good primary and secondary education, and to then make available to them ways in which they can gain postsecondary qualifications. A society which is only offering such opportunities to those children born into families who can afford to pay university fees is losing much of its potential.

Senator Pell understood this basic truth, and his scheme of grants has, over the years, enabled many thousands of Americans to set out on the road to fulfill their ambitions and, conversely, to become major contributors to the country's skilled labor force adding to the wealth of America.

My own link neatly ties together both Senator Fulbright and Senator Pell. As a young person in the UK, from a family with few resources, I was able to gain a State Scholarship at the age of 18. The school I attended was a state school in a mining district of South Yorkshire, in the North of England. Those scholarships were

In a curious way, their work can be seen as a response to the very modern realization that the world is global, highly interconnected, and that the ability of each country to enable all their citizens to maximize their skills' potential is economically vital for the success of that country in future generations.

instituted partly as a result of the recognition sweeping across the postwar world that countries should offer opportunities for advancement to all their citizens. My later research interests in access issues may well have stemmed in part from my gratitude that a scholarship grant enabled me to gain my first degree despite the inability of my family to contribute.

The interconnection of Senator Fulbright and Senator Pell came together for me when I was

awarded a Fulbright New Century Scholarship in 2005, for a research proposal based on the work of the Pell Institute. I was to examine the effectiveness of government-inspired strategies to widen participation in higher education. The overall topic of the Fulbright call was "Higher Education in the 21st Century: Global Challenge and National Response." My proposal came under the sub-theme of 'elite and mass—access and equity', an issue that has long been of concern to U.S. and UK governments.

I became a visiting scholar at Boston College, and spent considerable time in Washington, DC working at the Pell Institute for the Study of Opportunity in Higher Education. I was much helped by the then Director, Colleen O'Brien, and her staff, who facilitated interviews on access policy with key players in that area. I had the chance to contribute to a conference on student finance, to publish a paper in *Opportunity Matters*, a journal of research informing opportunity practice and programs, and perhaps most significant in international terms, to edit and publish a book *Access and Equity: Comparative Perspectives* (Sense Publishers, 2010) which explores different aspects of international policy relating to access and equity. The book's authors are those members of the Fulbright research group with whom I worked. Hence Pell and Fulbright, for me, are inextricably interlinked.

One can claim, rightly, that the legacy of both Pell and Fulbright has had powerful and lasting effects on our present global world: the challenges of higher education which concerned them both continue to exercise the minds of policymakers the world over.

# Access Without Support is Not Opportunity

*No federal program has been more important to providing access to higher education for low-income youth than the Pell Grant program.*

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VINCENT TINTO

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DISTINGUISHED UNIVERSITY  
PROFESSOR

Syracuse University

It has been in large measure responsible for what has been a marked decline over the past several decades in the gap in access to higher education between high and low-income students. Yet, for all that investment, the gap between high- and low-income students in the completion of four-year college degrees has not declined. Indeed, it appears to have increased in the past two decades.

That this is the case reflects a number of issues, not the least of which is the fact that so many low-income students begin higher education without the academic and social resources to succeed in college. Without appropriate academic and social support many are unable to translate the opportunity Pell Grants provides into degree completion. Yet Pell Grants were never intended to fund programs in





colleges and universities that provide such support. That is the purpose of the TRIO program, specifically Student Support Services. But, while funding for

It is a disservice to Senator Pell and the vision that inspired the Pell Grant program that we have not been willing to adequately fund support programs on our campuses that enable us to achieve the goal for which the Pell Grant program is designed...

Pell Grants have sought to keep pace with the cost of college attendance, funding for TRIO and Student Support Services has not. Indeed, as the number of low-income students entering college has increased,

the availability of Student Support programs to promote their success has declined. More low-income students are gaining entry to college, but relatively fewer are receiving the support they need to succeed in college. Little wonder then that their rate of college completion has fallen further behind those of more privileged students.

Yet we have more than sufficient evidence of the effectiveness of Student Support programs in promoting the success of low-income students. From tutoring services, advising, counseling, mentoring to a range of academic programs like summer bridge programs, learning communities, and targeted freshman seminars, students receiving those services and programs are more successful than those who do not. Regrettably, many low-income students do not

benefit from those services and targeted programs because of the lack of sufficient funding to support those efforts. This must change.

It is a disservice to Senator Pell and the vision that inspired the Pell Grant program that we have not been willing to adequately fund support programs on our campuses that enable us to achieve the goal for which the Pell Grant program is designed, namely that all youth regardless of income have a meaningful opportunity not only to enter college but succeed in college. Only then can we hope to reverse the growing gap in the United States between the rich and the poor and attain the goal to which Senator Pell aspired—namely, greater equality in a land of opportunity.







# Pell Award Recipients

# Grant Advoca



## PELL GRANT ADVOCACY AWARD RECIPIENT

Lois Dickson Rice is the Miriam Carliner Scholar in Economics Studies at the Brookings Institution. A former vice president of the College Board, Rice is an expert on the financing of higher education. Throughout her career she has focused on the expansion of opportunities for low- and moderate-income and minority students.

Prior to her work at Brookings, Rice served as senior vice president for government affairs with Control Data Corporation. From 1984 to 1989, she was chair

of the National Science Foundation's Advisory Council to the Director. Her 20-year association with the College Board, including her service as its vice president, was interrupted only by a sabbatical year with the Ford Foundation as an educational specialist in West Africa and another year as consultant with the Economic Studies Program at Brookings.

In addition to serving on a variety of corporate and nonprofit boards, councils, and commissions, Rice has authored or co-authored a number of

education and technology-related publications and is frequently called upon to speak publicly or to testify before the U.S. Congress on these subjects.

She was recognized by *Change* magazine as one of the nation's 100 outstanding higher education administrators and by *Ebony* magazine as one of the 100 most promising Black women in corporate America.

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LOIS DICKSON RICE

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## PELL GRANT LEGACY AWARD RECIPIENTS

Maura Casey began the communications firm, CaseyInk, LLC, in 2009 after an editorial writing career of 26 years. During her years as a journalist, she won more than 40 regional and national awards for commentary. In 1988 she shared a Pulitzer Prize awarded to the staff of the *Lawrence* (Massachusetts) *Eagle-Tribune*, where she was editorial page editor. Maura was a member of four newspaper editorial boards, including *The New York Times*. She continues to write regularly for the *San Francisco Chronicle* and the *Hartford Courant*.

Casey was raised to believe in community service. As a journalist, she led exchanges between the United States and the former Soviet Union; in 1998 she helped start the first journalism exchange program in 20 years between the United States and Iran, even though the two countries weren't talking. She was a founder and chairwoman of the Women and Girls Fund of Southeastern Connecticut and helped raise its first million dollars. Recently, Connecticut Governor Dannel Malloy appointed her to serve on Connecticut's Freedom of Information Commission.

Maura holds a Master's Degree in Journalism and Public Affairs from The American University, Washington, D.C. and a BA in Political Science from State University College at Buffalo. She has been married for 29 years to Peter J. Panzarella and has two children, Anna and Tim.



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MAURA CASEY

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SUNY-Buffalo State College, 1979



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## JAMIE MERISOTIS

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Bates College, 1986

Jamie P. Merisotis is president and CEO of the Lumina Foundation, the nation's largest private foundation committed solely to enrolling and graduating more students from college. As a first-generation college graduate and Pell Grant recipient, Merisotis has worked for decades to increase educational opportunity among low-income, first-generation, minority and other historically underrepresented populations.

Before joining Lumina Foundation in 2008, Merisotis was founding president of the Institute for Higher Education Policy. Prior to founding IHEP, Merisotis had served as executive director

of the National Commission on Responsibilities for Financing Postsecondary Education, a bipartisan commission appointed by the U.S. president and congressional leaders. Merisotis also served as an advisor to senior management on issues related to the quality and effectiveness of national-service initiatives at AmeriCorps.

Merisotis has written and edited several books and monographs, and he is a frequent contributor to magazines, journals and newspapers. He serves as a regular commentator on the award-winning PBS show "Nightly Business Report," and his writing has appeared in *The Washington Post*, *National Journal*,

*Times Higher Education Supplement* (London), *The Chronicle of Higher Education*, *Politico*, *Huffington Post*, and numerous other print and online publications.

Merisotis has served as trustee and director for numerous organizations, including Bates College in Maine and Anatolia College in Thessaloniki, Greece. He serves as president of the Economic Club of Indiana as well as on several Indiana-based boards and commissions including the Central Indiana Corporate Partnership, The Children's Museum of Indianapolis, and the United Way of Central Indiana.



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## VY A. TRUONG

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Boston University, 1998



Vy A. Truong is the first Vietnamese-born attorney to serve as assistant district attorney in Suffolk County, Massachusetts. During this time, he handled both felony and misdemeanor cases involving both juveniles and adults. Truong began his career aiding underserved populations with legal issues in the Boston area. Since 2004, Truong has continued to represent underserved populations as a court-appointed attorney in Dorchester, Massachusetts.

A native of Saigon, Truong came to the U.S. at the age of 15 by boat as a political refugee. His interest in the law began in high schools when he was selected to participate in the Massachusetts Supreme Judicial

Court Youth Corps Scholar program where he worked in the Supreme Judicial Court Clerk's office. Throughout college and law school, Truong worked as a legal assistant in the General Counsel's Office of the Suffolk County Sheriff's Department. After law school, he joined the Sheriff's Department Office of Legal Services as a staff attorney where he provided legal services to the inmate population at the Suffolk County House of Correction.

Truong's entire adult life has been dedicated to helping underserved populations understand complex legal matters. While at Boston University, Truong worked in the financial aid office and

received the Student Employee of the Year award. He attended Boston University on both federal and institutional grants and was able to graduate magna cum laude with a dual degree in Political Science and Economics, with Honors, because of financial aid and the Pell Grant in particular. He earned a Juris Doctor from Northeastern University Law School and went on to serve as one of the state's first Assistant District Attorneys. His journey was chronicled in a 2003 Boston Globe article, "From Raft to Hall of Justice: Journey to Freedom from Vietnam Shaped New Prosecutor's Life."



Jasmine Johnson recently graduated magna cum laude from Stephens College in Columbia, MO, where she was selected by the Board of Trustees as the commencement speaker. Johnson will be attending Columbia University's School of Social Work to pursue a graduate degree beginning in the fall of 2012. She has been involved in a number of community service projects, including acting as an intern for Laborers' International Union of America Mid-Atlantic Region, a mentor for Sister Inspiring Sister Mentoring Program and Campus Crusade for

Christ Summer Service Project, and as a volunteer for the Live in the Light Domestic Violence Campaign.

Jasmine was placed into foster care at the age of two and pursued education without the finances and support system that a family typically provides. Jasmine pursued volunteer opportunities to help others in her situation and received multiple scholarships, including the Pell Grant. Jasmine writes, "Digging deep inside myself, I found the courage to push on and to make something of my

life. Now I am thankful for my life experiences because I face challenges directly and relate to others with similar stories."

Receiving a Pell Grant allowed Jasmine to pursue higher education at the school of her choice and stay to complete her degree.

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## JASMINE JOHNSON

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Stephens College, 2012





