Promoting Educational Opportunity: The Pell Grant Program at Community Colleges

EXECUTIVE SUMMARY

The Federal Pell Grant Program serves as the foundation of the Federal Student Aid system, with more than 9.5 million students relying on the program to provide access to higher education in 2010–2011. It is one of the rare large federal domestic programs that has almost entirely avoided suggestions that it is ineffective or that it plays a role that would be better played by a different entity, public or private.

However, the Pell Grant program is in a precarious position, given the substantial increase in the cost of the program over the past three years. There are numerous proposals and varied opinions as to how to “fix” the program with little consideration of the factors that brought the program into existence, the programmatic structure of the program, and the shifts the program has made to support the educational aspirations of all student types.

In this brief, we examine the historical and programmatic nature of the Pell Grant program and investigate how it has come to form trends over time. Underlying the examination is the use and importance of the program to college students, with a focus on those attending community colleges. Results of note include, but are not limited to, the following:

- In 1967, college enrollment for 18- to 34-year-olds in the United States was 6.1 million (14.6% of the population aged 18 to 34); in 2009, college enrollment for that tranche stood at 16.3 million (23.5% of 18- to 34-year-olds).
- The percentage of low-income high school graduates enrolling in college the fall following graduation has risen from 31.2% in 1975 to 54.1% in 2009.
- The majority of students receiving Pell Grants in 2007–2008 were White (46.3%).
- Nearly 80% of Pell Grant recipients attending community colleges in 2009–2010 had family incomes of less than 150% of the federal poverty threshold, and 60.7% were below the poverty threshold for a family of four ($20,000).
- In 2009–2010, 98.3% of Pell recipients at community colleges had allowable costs associated with attending college in excess of $6,000, and 91.9% had allowable costs in excess of $9,000.
- The $5,550 Pell Grant in 2010–2011 accounted for just 28.9% of a student’s estimated total budget for nine months of education.
- Whereas only 40% of all community college students enroll full time, nearly double that percentage of community college students receiving a Pell Grant were enrolled full time in 2009–2010.
- At community colleges, 21.8% of Pell Grant recipients did not work, compared with 14.9% of nonrecipients.

It is for these reasons and numerous others provided in this brief that the Pell Grant remains a vital part of educational opportunity.