



Understanding the Effects of Doubling Pell on State Grant Programs

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Doubling the maximum Pell grant would provide a substantial benefit for students from low- and middle-income households and would likely have downstream effects on state and institutional grant aid. In this brief, we model the effects of doubling the maximum Pell grant, focusing on the impact on students' unmet need, and we highlight how state policymakers and individual institutions might respond to an increase in federal need-based aid. Specifically, we find the following:

- An expansion of Pell would provide a large boost to the grants for current Pell recipients and would make students with higher incomes newly eligible for Pell.
- For a small share of students, doubling the maximum Pell grant would fully cover the gap between the combination of grant aid and their own resources and their full annual budgets if all other aid stayed the same. This share is larger for students who currently receive need-based state grant aid.
- In some cases, state grant aid rules will lead directly to cuts in state funding for low-income students as their Pell grants increase.
- In other states, need-based state grants are not directly related to Pell, so students would see increases in their total grant aid.
- Because institutions have substantial control over how they package and distribute financial aid, the distribution of this aid is likely to respond to significant increases in Pell awards.

The meaning of proposals to “double Pell” requires clarification. The most commonly cited Pell metric is the size of the maximum grant, which is awarded to full-time students who, according to the federal formula, cannot afford to contribute to their own educational costs. “Doubling Pell” refers to doubling the size of the maximum grant, which is \$6,495 for 2021–22. This change would add \$6,495 to

the award levels of all current full-time Pell recipients—far more than doubling awards for many of them. This results from the calculation of Pell awards as the maximum grant less expected family contribution (EFC), with EFC being the official measure of how much students (and their families) can afford to pay each year. Students whose EFCs are larger than the current Pell maximum but smaller than the new higher maximum will become eligible for some amount of Pell funding.

The reality that states or institutions may lower their awards to some Pell recipients in response to the increased federal aid need not mean they are appropriating the funds and students are not benefiting. States and institutions can ensure that an increase in Pell allows them to recommit to their mission of supporting low-income students.

- States and institutions may use the funds freed up by the Pell increase to provide need-based aid to students they are not currently funding or to reduce unmet need for current aid recipients.
- Institutions might enroll and fund more students with financial need.
- Institutions could also invest additional dollars in funding programs that help guide and support students, improving their academic and postcollegiate outcomes.

State policymakers should understand how a Pell expansion might affect their grant programs for college students and how, in the wake of potential federal changes, they could reshape their aid programs to best support students from low- and moderate-income families.¹

Doubling the Maximum Pell Grant

Doubling the size of the maximum Pell grant, within the current formula, would directly increase the *size* of the benefit for all who currently receive Pell and attend full time by \$6,495 (the maximum Pell grant amount in 2021–22) (appendix figure A.1). Although some changes to Pell will go into effect in the 2024–25 school year, we model outcomes under the current Pell formula.²

Simply changing the Pell amount in the current formula would also expand the *number* of students eligible for the Pell grant by increasing the maximum EFC for eligibility from around \$6,000 to around \$12,000. This is because the current Pell formula is $Pell\ award = Pell\ maximum - EFC$. Increasing the maximum award automatically increases the maximum EFC for Pell eligibility, dollar for dollar. Pell grants are considered the first source of aid to a student and are never adjusted downward to account for other aid.

Assessing Grant Aid and EFC Contributions to Cost of Attendance

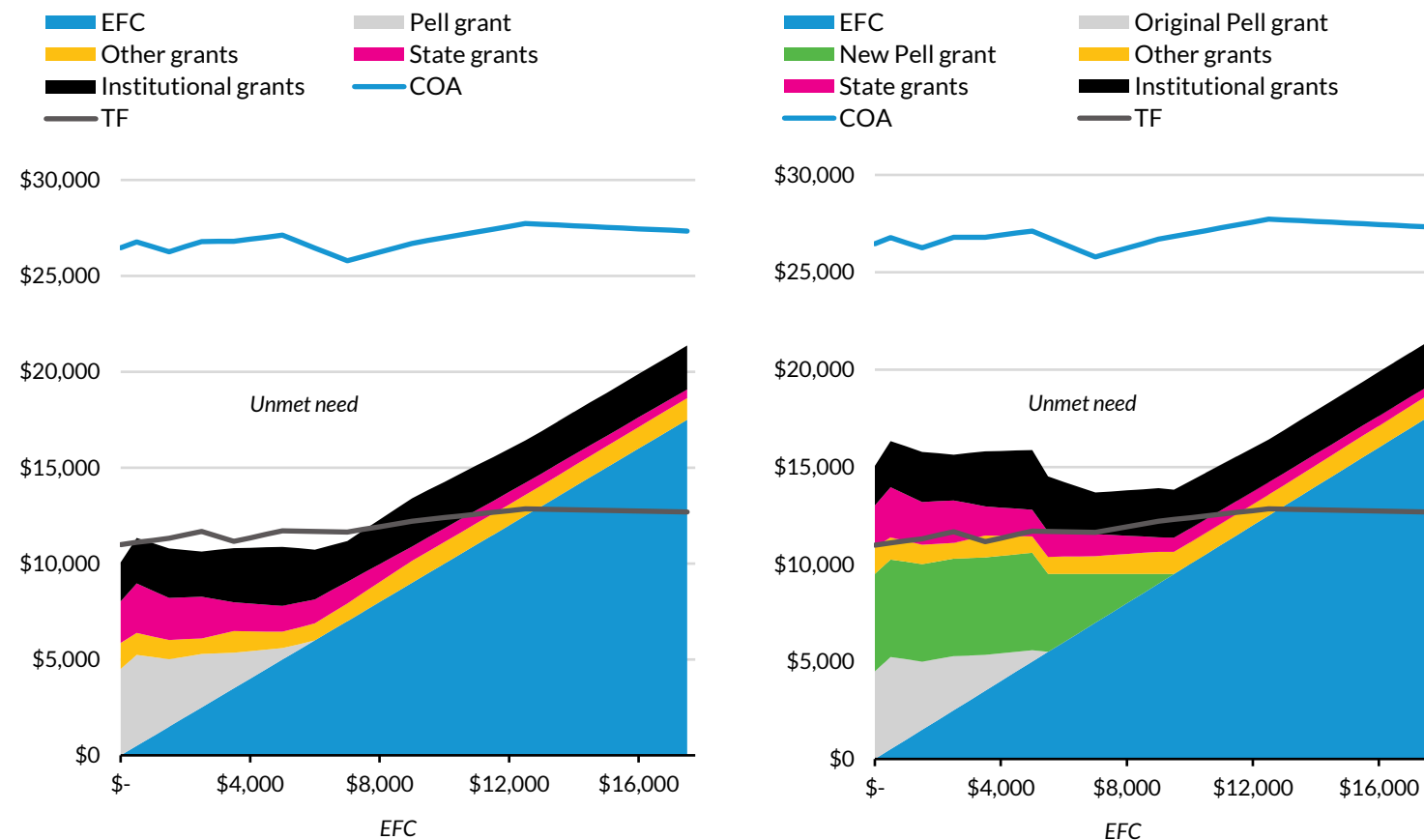
One way to consider the impact of Pell and other grant programs is to assess how much, on average, these amounts help students cover their full budgets, as measured by cost of attendance (COA), which includes tuition and fees plus books and supplies and estimated living expenses. If grant aid added to students' EFCs falls short of COA, they have need that must be met through a combination of loans,

earnings, and other resources. “Unmet need” is usually defined after allowing for federal student loans. In the analysis below, we measure unmet need *before* any borrowing.

Doubling Pell will reduce unmet need for low-income students—the gap between COA and the sum of their grants and EFCs. Figure 1 illustrates how doubling the maximum Pell grant could reduce unmet need for the average full-time student enrolled in a public four-year institution in the 2015–16 school year, assuming grant aid from other sources remains constant.

FIGURE 1

Comparing Current Pell Grants with Doubled Pell Grants at Four-Year Public Institutions



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Source: Authors' estimates using calculations from National Postsecondary Student Aid Study PowerStats.

Notes: COA = cost of attendance; EFC = expected family contribution; TF = tuition and fees. We calculated average grant amounts and COA for students starting full time in fall 2015 with \$0 EFCs or EFCs of \$1–1,000; \$1,001–2,000; \$2,001–3,000; \$3,001–4,000; \$4,001–6,000; \$6,001–8,000; \$8,001–10,000; \$10,001–15,000; and \$15,001–20,000. We assigned average grant and COA amounts to each EFC interval's midpoint value, and we interpolated values between these points. Average COA varies depending on the institutions students attend.

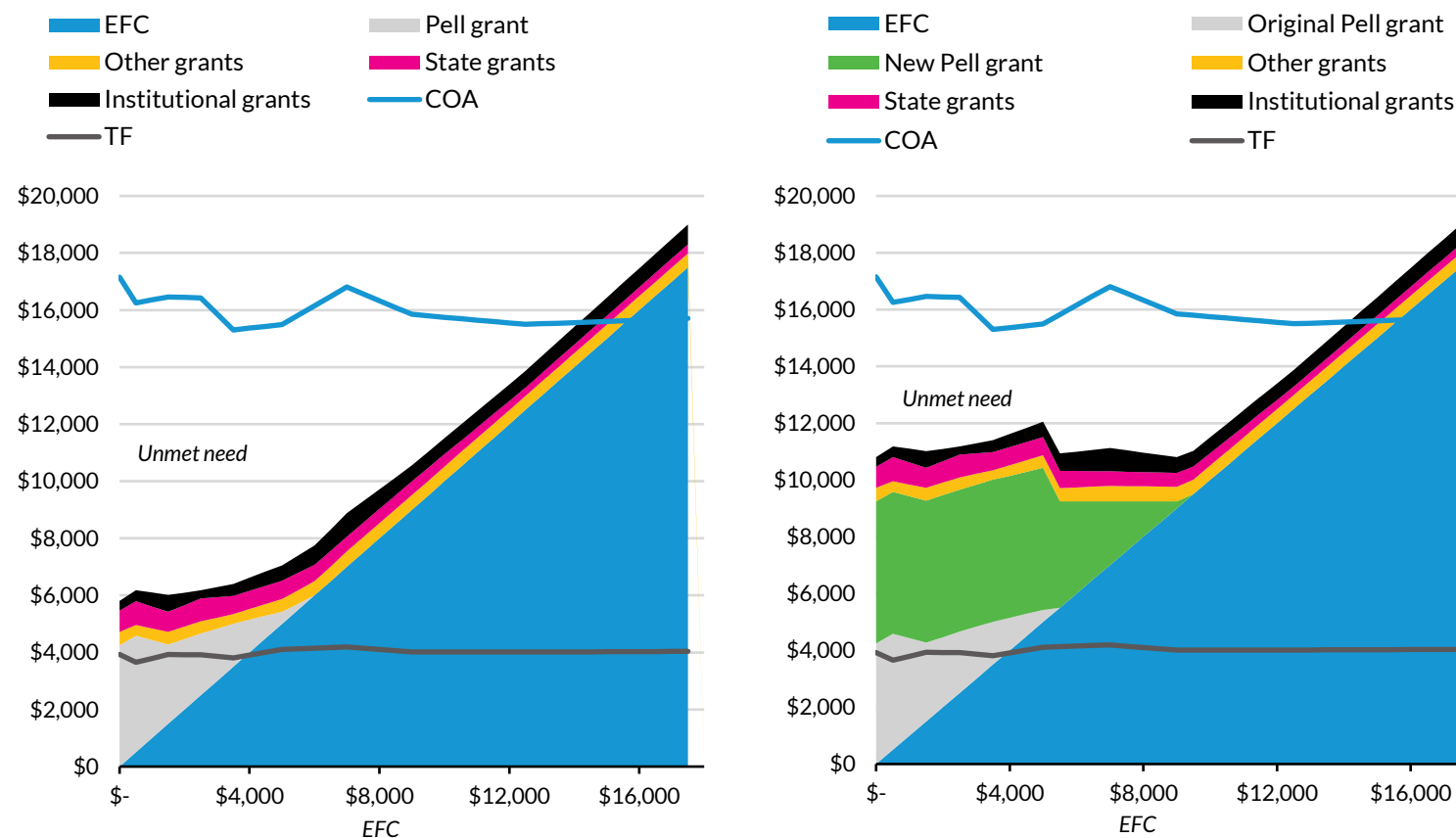
On average, even with a doubled maximum Pell, the typical student at a public four-year institution will have substantial unmet need before taking federal student loans. Combining all grant aid with their EFC, the typical four-year public college student from a low-income background would still have unmet need of about \$15,000. Students can close this gap in various ways, such as by using their own wages, reducing costs, or taking out student loans.

Doubling the maximum Pell grant (figure 2, right panel) would substantially reduce unmet need for students with EFCs below \$10,000, who would receive significant new federal funding. By definition, barring any other changes in financial aid packages, low-income full-time current Pell recipients would reduce their unmet need by the size of a maximum Pell grant (\$6,495 in 2021–22).

Figure 2 illustrates how doubling the Pell maximum would affect those enrolled in public two-year institutions in 2015–16. The current level of unmet need is smaller than in public four-year institutions—about \$10,000 on average for those who receive Pell grants—and doubling the maximum Pell closes a substantial portion of the gap between EFC plus total grants and COA. Illustrations of this effect for students enrolled in four-year private nonprofit institutions, and for those enrolled in private for-profit institutions, are in the appendix.

FIGURE 2

Comparing Current Pell Grants with Doubled Pell Grants at Two-Year Public Institutions



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Source: Authors' estimates using calculations from National Postsecondary Student Aid Study PowerStats.

Notes: COA = cost of attendance; EFC = expected family contribution; TF = tuition and fees. We calculated average grant amounts and COA for students starting full time in fall 2015 with \$0 EFCs or EFCs of \$1–1,000; \$1,001–2,000; \$2,001–3,000; \$3,001–4,000; \$4,001–6,000; \$6,001–8,000; \$8,001–10,000; \$10,001–15,000; and \$15,001–20,000. We assigned average grant and COA amounts to each EFC interval's midpoint value, and we interpolated values between these points. These data were generated for those who attend two-year institutions or four-year institutions that primarily award subbaccalaureate degrees.

Unmet Need after Doubling Maximum Pell

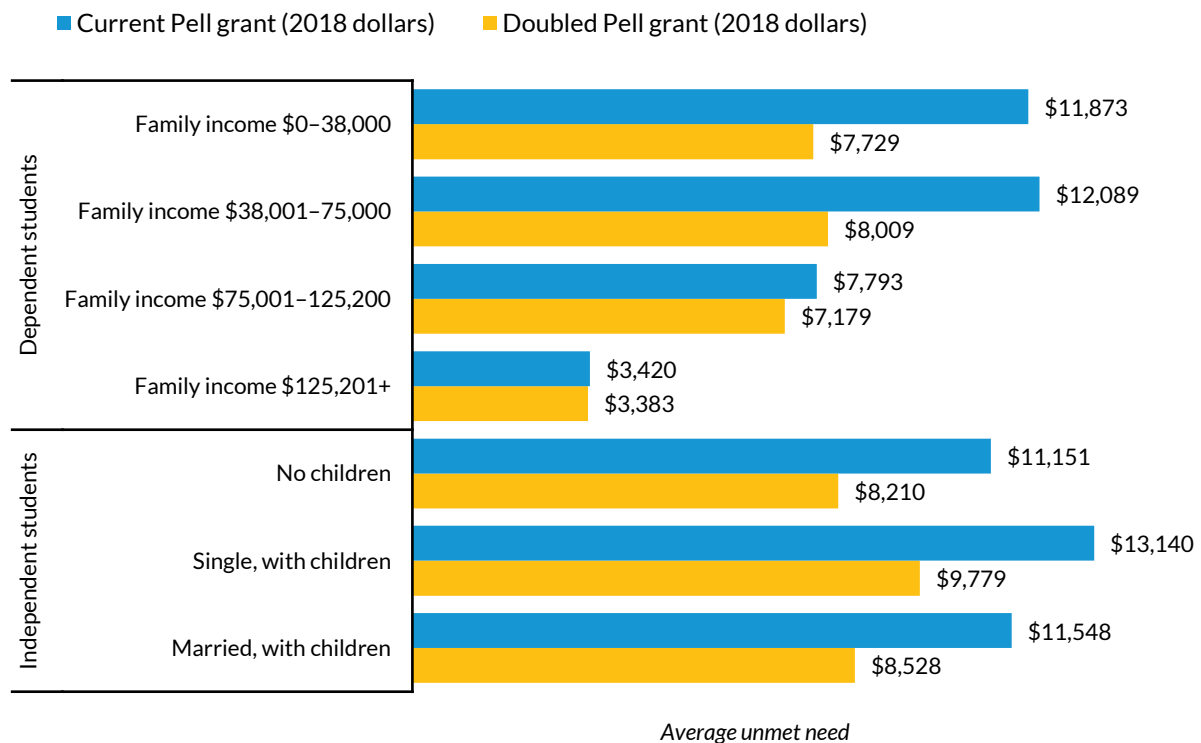
Averages across EFC levels illustrate how different sources of grant aid contribute to meeting a typical student's need, but these averages conceal substantial variation across students. Some students may find grant aid more than fully meets their need after doubling the Pell maximum, should all other aid stay the same. Others will still have unmet need.

We demonstrate this effect by modeling a doubled Pell maximum for all students who applied for aid using individual-level data and looking at the average remaining unmet need for students in different categories (figure 3). Under current federal policy, almost all independent students and most dependent students below the highest family income quartile have at least some unmet need before borrowing (appendix table A.1). We estimate that dependent students in the lowest income quartile have an average of around \$11,900 in unmet need, and independent students have an average need of around \$11,200 to \$13,100, depending on family structure.

Doubling the size of the maximum Pell grant under the current formula reduces the unmet need of dependent students in the lowest income quartile with unmet need by an average of about \$4,100. We see a similar decline in unmet need for dependent students in the next quartile (\$38,001–75,000), see a much smaller decline (\$600) in unmet need in the third quartile, and see virtually no decline for those in the top quartile (a lower share of whom have unmet need and very few of whom are eligible for Pell grants).

FIGURE 3

Average Amount of Need Remaining after All Grant Aid



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Source: Authors' estimates using 2015–16 National Postsecondary Student Aid Study undergraduate data, inflated to 2018 dollars.

Notes: EFC = expected family contribution. To maintain consistency across the estimates, we used the current Pell EFC calculation to calculate unmet need. Starting in academic year 2024–25, the EFC/Student Aid Index calculation will change in several ways, including allowing negative need and not accounting for multiple children in college, which will eliminate some high-income families from eligibility.

Grant aid from other sources can fund students above their need, but federal need-based aid, aside from Pell, can be used only to meet need (COA less EFC). Thus, if states and institutions provide grant aid above need to federal aid recipients, students may lose access to other need-based federal aid sources, such as Federal Supplemental Educational Opportunity Grants, federal work-study, or subsidized federal loans.

In the next sections, we look at how doubling the maximum Pell affects the unmet need of those who receive need-based state grant aid and those who receive institutional aid.

How Doubling the Pell Grant May Affect State Grant Aid

States distributed \$12.4 billion in grant aid in 2018–19, roughly three-quarters of which was need-based grant aid (NASSGAP, n.d.). Although total Pell grant expenditures are larger—\$28.4 billion in 2018–19 (and 2019–20)—state grant aid accounts for about 10 percent of all grant aid to

postsecondary students, which includes aid to veterans, institutional aid, and grants from employers and other sources.³ Grant aid accounts for 13 percent of state financial support for higher education, most of which goes directly to public institutions (NASSGAP, n.d., table 14). Some states base all or most of their grant aid on criteria other than financial circumstances, but in 29 states, more than 90 percent is need-based aid (Ma, Pender, and Libassi 2020, figure 17B).

SOME STATE GRANT PROGRAMS WILL AUTOMATICALLY DECLINE IN RESPONSE TO INCREASES IN PELL GRANTS

Some state grant programs are designed to ensure that students receive a set amount of total grant aid, including federal and state grants or grants from other sources, such as institutions. With this structure, state grant aid amounts will automatically decline when Pell grants increase unless some parameters change. In some cases, the state grant programs could disappear without action from state policymakers.

BOX 1

Examples of State Grant Programs That Change Aid as Pell Changes

Minnesota

Minnesota’s “shared responsibility model” divides the responsibility of paying for a student’s higher education between the student, parents, and the government (state and federal dollars).^a

All students are expected to contribute at least half the cost of attendance (adjusted to include a standard amount for living expenses rather than the budget the institution sets) out of savings, earnings, loans, or other grant assistance from schools or private sources. Students meet the other half of the cost of attendance using a combination of a specified share of the federal expected contribution^b combined with Pell and state grant aid.

Under Minnesota’s current model, an increase in Pell would reduce, dollar for dollar, the gap left for state grant aid to fill so that total government grant aid remains the same.

North Carolina

North Carolina has three state grant programs (one each for public four-year institutions, community colleges, and private colleges) and the North Carolina Education Lottery Scholarship (ELS), which funds students in both public sectors. Two of these programs operate in a way that directly reduces state grant dollars when Pell grants are increased.

The ELS fills the gap between Pell and a specified target grant amount. Students who receive large enough Pell grants to meet this target do not receive ELS. The number of recipients and the average ELS award have decreased as Pell has increased.^c

The North Carolina Community College Grant (NCCCG) program is designed to supplement Pell and the ELS to allow students to pay for tuition and fees, books and supplies, and travel. The program’s goal is to provide aid to students so that the total of the federal EFC, Pell, and NCCCG reaches a specified target amount. As a result, students with larger Pell grants receive smaller NCCCG awards.

When the maximum Pell grant increased from \$5,920 to \$6,095 in 2018–19, the state increased the minimum EFC for NCCCG eligibility from \$1,301 to \$1,501, because students with lower EFCs reached the \$4,680 goal without state grant aid.^d

Massachusetts

The MASSGrant Plus award for community college students fills the gap between tuition and fees and EFC plus other federal and state grants.^e If federal grants increase, funding from this state grant program will automatically decline.

^a“Minnesota State Grant,” Minnesota Office of Higher Education, accessed October 5, 2021, <https://www.ohe.state.mn.us/mPg.cfm?PageID=138>.

^b Eighty-four percent of the parental contribution for dependent students, 40 percent of the student contribution for independent students without dependents, and 76 percent for independent students with dependents.

^c From a conversation with Elizabeth McDuffie, executive director for State Education Assistance Authority North Carolina Student Aid Programs, September 10, 2018.

^d North Carolina Community Colleges, “North Carolina Community College Grant Program Revised Payment Schedule FY 2018–19” (Raleigh: North Carolina Community Colleges, n.d.), attachment FC 10.

^e Massachusetts Department of Higher Education (MDHE), “Frequently Asked Questions about the New MASSGrant Plus for Full-Time and Part-Time Students at Massachusetts Community Colleges” (Boston: MDHE, 2018).

IN SOME STATES, THERE IS NO DIRECT RELATIONSHIP BETWEEN PELL AND THE LEVEL OF STATE GRANT FUNDS

In some states, the state grant amounts are set annually based on available funding. Because these programs do not aim to provide a fixed amount of total grant aid, they will not be directly affected by an increase in Pell. A large and visible increase in Pell might weaken political support for directing increasing amounts of limited state funds to college students. But because many low- and moderate-income students will likely still have significant unmet need even with a doubled maximum Pell, state grants will remain an important component of financial aid packages.

BOX 2

Example of a State Grant Program Unaffected by Pell Changes

New Jersey

New Jersey provides high levels of need-based grant aid to college students through the Tuition Aid Grant (TAG) program. The TAG tables are published annually and are based on available funding for this entitlement program. At each institution, students with the lowest ability to pay receive the largest state grants.

New Jersey public institutions have relatively high tuition, and the combination of Pell and state grants may not cover tuition and fees, even for students with \$0 EFCs. If the maximum Pell grant doubles, federal and state grant aid will more than cover tuition and fees for some students, but most will still have unmet financial need for living costs.

If the state continues to focus on allocating grant aid in support of tuition charges rather than total student budgets, doubling the maximum Pell could eventually lead to reductions in TAG. But unlike in other states where this relationship is codified, policymakers would have to elect to make this change. A focus on living expenses as a barrier for student persistence and attainment will highlight the continuing need for state funding to fill unmet need.

IN SOME STATES, THE RELATIONSHIP BETWEEN PELL AND STATE GRANTS IS LESS STRAIGHTFORWARD

Even in states where there is not an automatic reduction in state grant aid in response to an increase in Pell grant amounts, total grant aid is unlikely to increase by the amount of the Pell increase for many recipients. Some states and institutions will lower their contributions, but in many states, aid dollars will likely be shifted to other students with financial need.

BOX 3

Example of a State Grant Program Potentially Affected By Pell Changes

Texas

In Texas, public institutions are required to provide grant packages that cover tuition and fees for all state grant recipients. At community colleges, aid supplementing the Texas Educational Opportunity Grant (TEOG) to cover tuition and fees does not include the Pell award, so doubling the Pell maximum will not have a direct impact. But doubling Pell is likely to reduce support for the TEOG program, which funds only a small share of eligible community college students.

At four-year public institutions in Texas, Pell grants can be used to supplement state grant aid and institutional aid to fully cover tuition and fees for recipients of the Toward EXcellence, Access, and Success (TEXAS) grant program. A significant increase in Pell grant amounts will reduce the institutional funding schools must provide to meet program requirements. This will free up institutional funds to support some of the many eligible students not funded by the state grant program or to reduce the unmet need of state grant recipients.

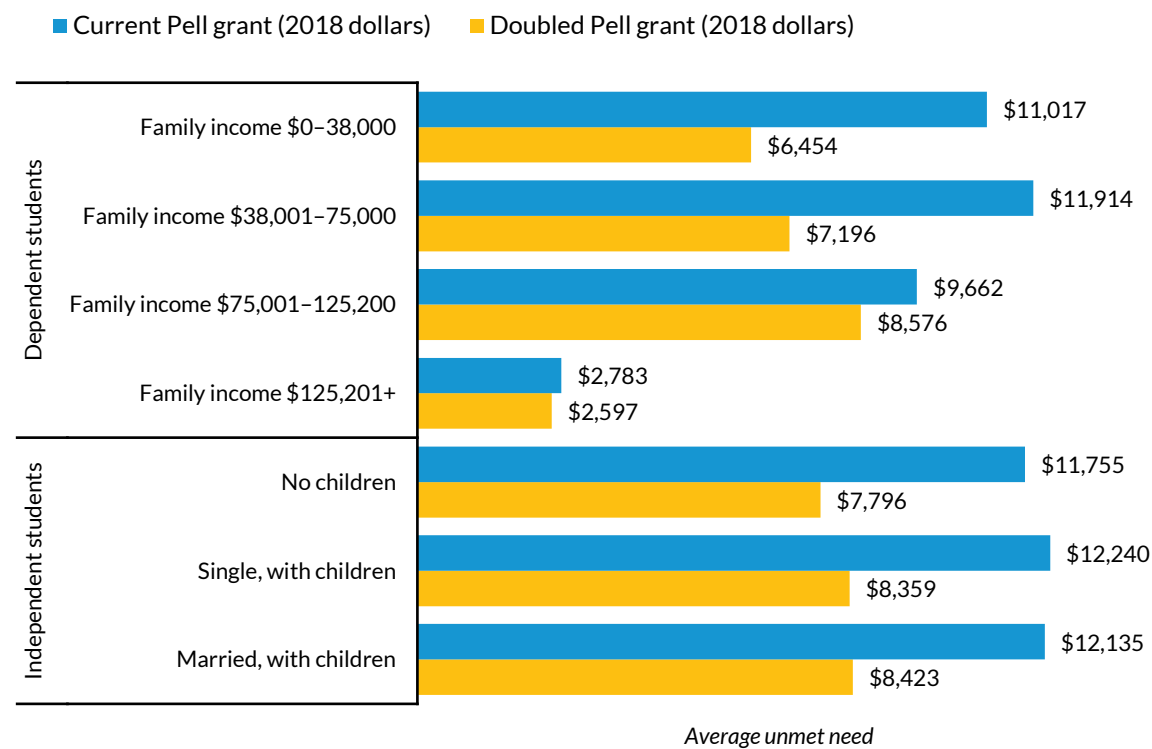
Because institutions determine TEXAS grant receipt, they will decide whether additional aid is packaged to further help recipients or to expand the number of recipients. Much of the supplemental institutional grant funding comes from state-mandated tuition set-aside funds that can be used only for need-based financial aid, but institutions may divert grants funded by other institutional funds to other uses.

Among dependent students from households earning up to \$38,000, roughly 40 percent of students who applied for federal aid also received at least a dollar of state need-based grant aid.⁴ Among those who receive need-based grant aid, the average grant amount is around \$2,500.

Doubling the maximum Pell would reduce the share of dependent state need-based grant recipients with unmet need (before loans) more than it would reduce the share of all dependent students with unmet need (appendix table A.1). State grant recipients generally have lower amounts of average unmet need because of the additional grant aid they receive. The effect of doubling Pell is slightly larger for them than for all undergraduates. For example, dependent students in the lowest income quartile would see their average unmet need reduced by nearly \$5,000 (compared with \$4,100 for all students in this income bracket), and independent students would have their unmet need reduced by \$3,700 to \$4,000 (figure 4).

FIGURE 4

Average Amount of Unmet Need among Need-Based State Grant Recipients



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Source: Authors' estimates using 2015–16 National Postsecondary Student Aid Study undergraduate data, inflated to 2018 dollars.

Notes: EFC = expected family contribution. To maintain consistency across the estimates, we used the current Pell EFC calculation to calculate unmet need. Starting in academic year 2024–25, the EFC/Student Aid Index calculation will change in several ways, including allowing negative need and not accounting for multiple children in college, which will eliminate some high-income families from eligibility.

Because some students with need are now fully funded with the help of additional Pell dollars, state grant dollars could be used to help more students. For example, we estimate that the share of dependent students in the lowest income category who have their COA fully met would increase by about 15 percentage points. In cases where total grant aid exceeds COA, state policymakers in states where grants are rationed because not all students can be funded could distribute these funds to other students who meet the eligibility criteria or expand eligibility criteria (in states where grants are guaranteed to eligible students).

Policymakers' choices about how to adjust to the doubled Pell maximum depend heavily on the existing program's structure. In some programs, policymakers may have to amend program rules or frameworks to distribute additional funds to more students. This would be the case if the program awards grant aid to fill in the gap between federal aid and a specified amount such as tuition and fees or

a fixed total. Under other program rules, without legislated changes, students are unlikely to lose state grant aid, unless total aid exceeds their documented need.

Some states will require legislative action to prevent their state grant awards from declining dollar for dollar as Pell grants increase. Other states could see state grant programs—and state appropriations to public institutions—fail to increase or could even see them decline as legislators see less acute need for these programs as the federal government takes more responsibility for making college affordable.

How Pell Increases Interact with Institutional Grant Aid

State grant policies and the total aid available to students as the Pell grant program becomes more generous will also depend on institutional aid policies. As alluded to in the TEXAS grant example, institutions have substantial control over how they package and distribute financial aid. Institutions in most states do not have discretion over state grant awards, but nearly all award need- and merit-based institutional aid. Increases in Pell could change financial aid packaging of this aid. Institutions will have a choice about whether to let all additional Pell aid accrue to these students (reducing or eliminating their unmet need) or whether to reduce institutional aid for Pell recipients and direct this aid to other students.

Institutional grant aid is the largest source of grant aid. Colleges and universities distributed \$68.9 billion in institutional grant aid in 2019–20.⁵ Institutional aid, for which institutions generally have broad discretion over packaging and awarding, is most common at private nonprofit four-year institutions (where 81 percent of full-time first-year students receive at least some institutional grant aid) and at public four-year institutions (where 45 percent of full-time first-year students receive institutional aid).⁶

A SMALL SHARE OF COLLEGES AND UNIVERSITIES MEET FULL FINANCIAL NEED FOR ALL ENROLLED STUDENTS

About 50 wealthy institutions have need-blind admission and meet full financial need for all US students.⁷ For example, at Yale University, Amherst College, and the University of Virginia, ability to pay does not affect whether applicants are accepted or whether aid packages—which may or may not include loans—fully fill the gap between EFC and COA.

At these institutions, when Pell grant increases reduce students' remaining need, the only option for making individual packages more generous is to reduce the self-help component. For Amherst, Yale, and other institutions that do not package loans for students, this would mean reducing or eliminating federal work-study funding. At other institutions, grants could replace loans. In some cases, institutions could modify their own (nonfederal) formulas for measuring ability to pay, increasing a student's measured financial need by, for example, expecting less contribution from student earnings or home equity.

But the federal government has rules against “overawards” (FSA 2020). Students receiving federal need-based aid cannot receive total aid exceeding their financial need according to the federal

methodology. Pell grants cannot be adjusted, but students would lose Federal Supplemental Educational Opportunity Grants, subsidized loans, or federal work-study funding if the institution continued to supply the amount of grant aid it offered to meet need before the doubling of the maximum Pell award.

Need-blind institutions that currently meet need without loans are likely to reduce their aid budgets if the maximum Pell grant doubles. But these institutions enroll a very small share of Pell recipients. Institutions that package loans may replace some loans with grant aid. Institutions that are not need-blind—rejecting some students with financial need and enrolling full-pay students in their place—will have the opportunity to accept more students with need and meet their need.

MOST INSTITUTIONS DO NOT FULLY MEET NEED AND MAY RESPOND IN OTHER WAYS

But fewer than 100 colleges promise to meet the full financial need of all accepted applicants.⁸ At most institutions, the increase in Pell funding will reduce unmet student need for Pell recipients and will not directly require any adjustment of aid packages. This does not, of course, mean that institutions will not respond. Some could raise their tuition or divert funds from the aid budgets to other students or other uses. The literature on responses to increases in federal student aid is inconsistent and provides little guidance as to how institutions will respond in the current environment.

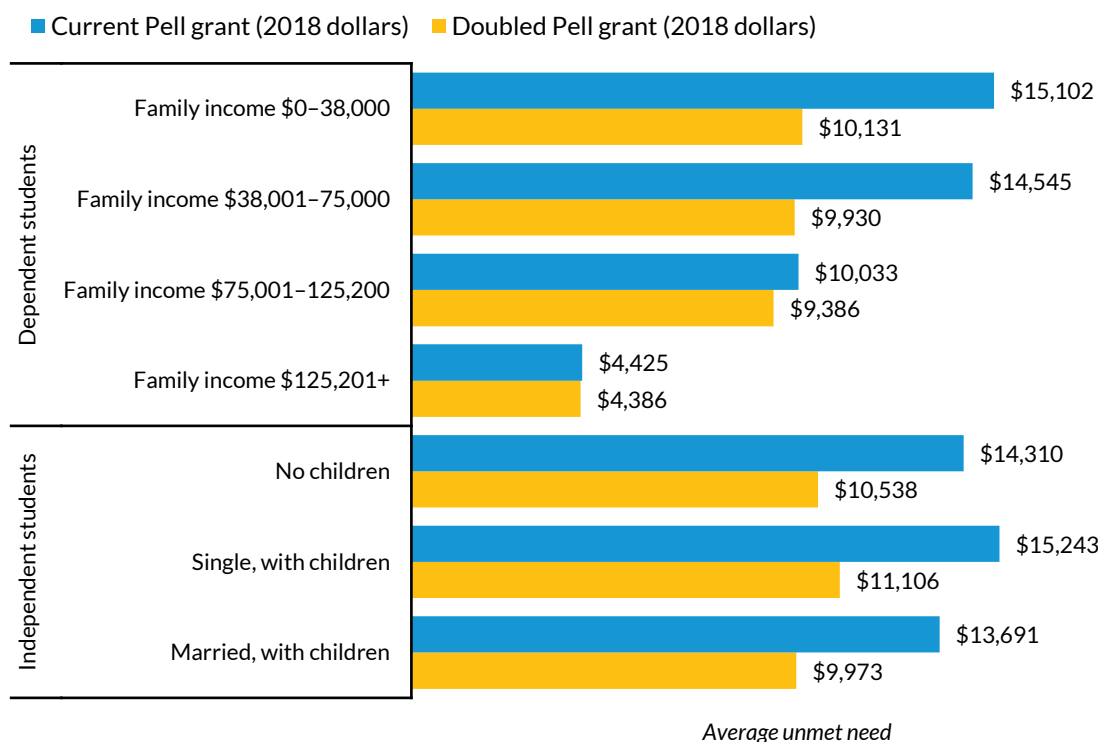
Even if some students see their increased Pell grants replacing other aid and do not reap the full benefit of the federal policy change—or receive any benefit at all—this does not mean that institutions, as opposed to students, are benefiting. Institutions may use the funds freed up by the Pell increase to provide need-based aid to students they are not currently funding—such as those who do not receive Pell grants—or to reduce unmet need for other current aid recipients.

The share of students receiving any institutional grant aid in 2015–16 who had some unmet need before loans was larger than the share of undergraduate students overall with unmet need (appendix table A.1). Colleges and universities with higher sticker prices are most likely to award institutional aid to large shares of their students, but this additional support is not enough, on average, to compensate for the higher COA.

Should the maximum Pell grant be doubled under current or future rules, we estimate that average unmet need among institutional grant recipients would drop by about 10 percentage points for dependent students in the bottom half of the income distribution and by around 7 percentage points for independent students with no children (figure 5). Students receiving institutional aid have higher average unmet need than undergraduates overall. For example, dependent students in the lower half of the income distribution have an average unmet need of \$14,500 to \$15,100, which would be reduced by \$4,600 to \$5,000 with the doubling of Pell—compared with a reduction of less than \$1,000 in unmet need for dependent students in the upper half of the income distribution.

FIGURE 5

Average Amount of Unmet Need among Institutional Grant Recipients



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Source: Authors' estimates using 2015–16 National Postsecondary Student Aid Study undergraduate data, inflated to 2018 dollars.

Notes: EFC = expected family contribution. To maintain consistency across the estimates, we used the current Pell EFC calculation to calculate unmet need. Starting in academic year 2024–25, the EFC/Student Aid Index calculation will change in several ways, including allowing negative need and not accounting for multiple children in college, which will eliminate some high-income families from eligibility.

Institutions put together aid packages for individual students every year. Tuition prices, students' financial circumstances, aid from other sources, and available institutional resources all influence these packages. Institutions in different circumstances are likely to respond differently to a large increase in Pell.

Rebalancing Aid and Need after Doubling Pell

College expenses are covered by a combination of federal, state, and institutional aid, in addition to a student's own financial resources and student loans. A substantial additional investment in federal need-based aid is likely to improve the higher education enrollment and attainment of low-income students. It will also require some degree of rebalancing by state grant programs and by institutions.

In the rare cases where additional Pell grant aid would more than cover unmet need, these dollars should be used to support other students. In the more common case where additional Pell dollars

reduce a student's unmet need, policymakers and institutions need to assess how grant program rules and financial packaging guidelines may affect how individual students' total grant aid may change and to what extent additional grant dollars may be extended to other students.

Should the maximum Pell amount double, state policymakers interested in maximizing educational opportunities should

- assess whether their state grant programs directly or indirectly respond to changes in the Pell formula,
- consider revisions to the state grant programs to preserve all or most of the increase in total grant aid for state grant recipients,
- allocate any additional dollars toward new grant recipients if not all of those currently eligible receive grants, and
- increase eligibility for students not currently in the state grant program (e.g., to older students or to students who are just above the need-eligibility threshold).

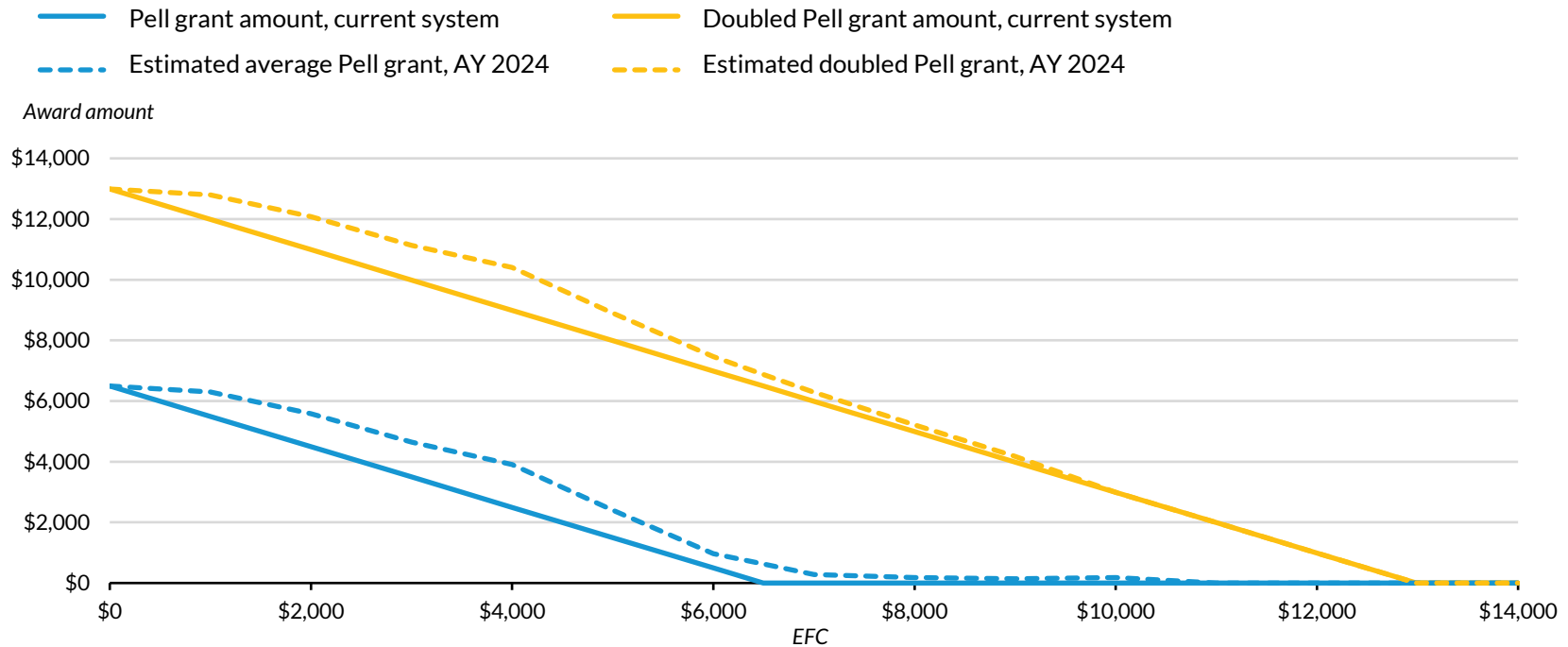
Should the maximum Pell amount double, institutions that want to increase access and diversity should

- revise packaging to ensure students do not lose access to non-Pell federal aid,
- allow Pell grant dollars to reduce the amount of unmet need for Pell recipients,
- consider awarding institutional grant aid to students who do not receive additional Pell support, and
- consider investing in advisory services that help retain and graduate low-income students.

Appendix

FIGURE A.1

Estimated Changes to Pell Grant Amounts, by EFC

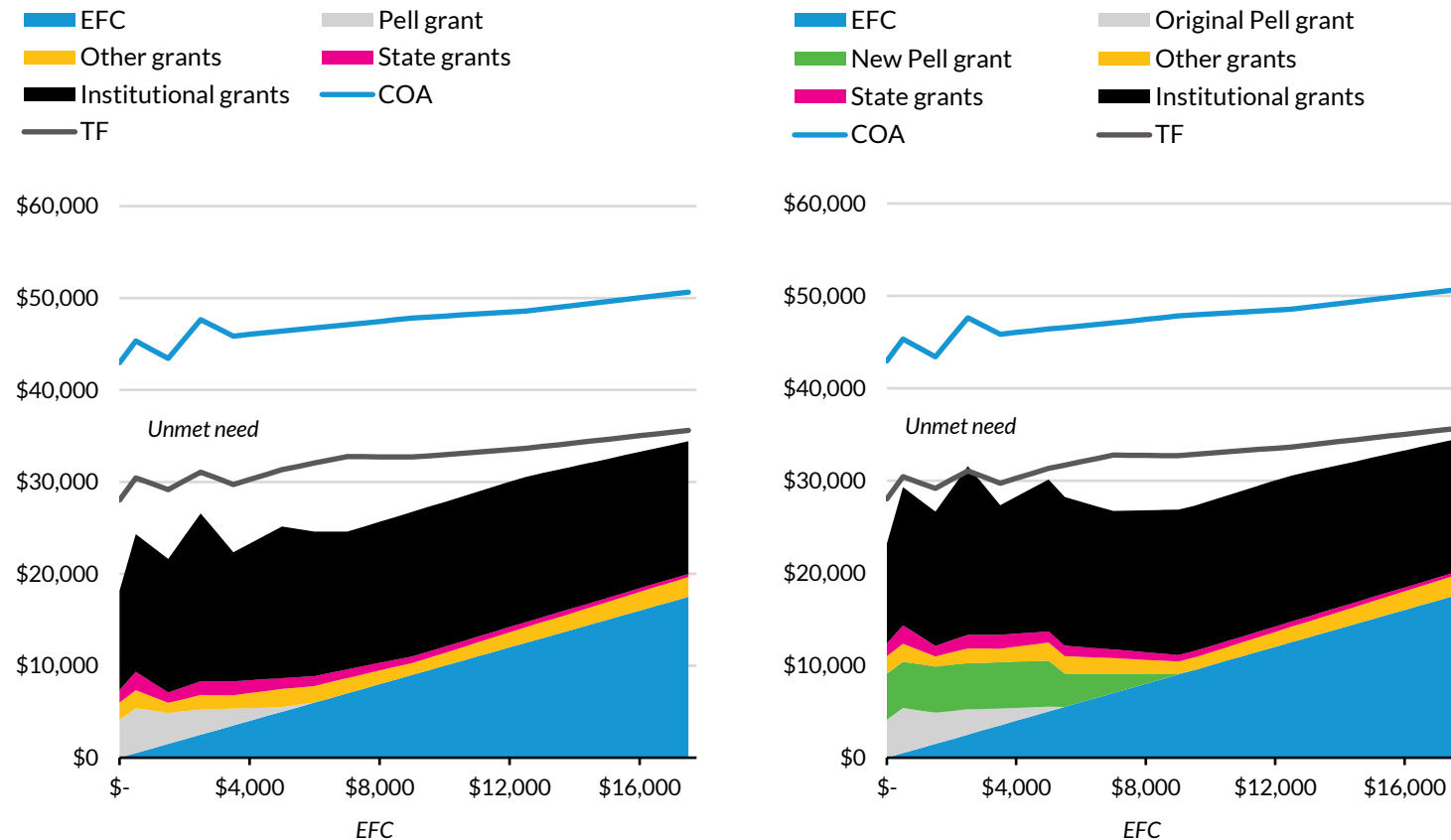


Source: Authors' estimates using Pell methodology and 2015–16 National Postsecondary Student Aid Study undergraduate data, inflated to 2018 dollars.

Notes: AY = academic year. This figure does not model the exclusion for those eligible for a grant of less than 10 percent of the maximum grant. The dashed lines are modeled on an estimate of the share of those in the EFC interval who earn below 200 percent of the federal poverty level (FPL). Starting in AY 2024, those from single-parent households will be eligible for a Pell grant if they earn below 225 percent of the FPL, and those from two-parent households will be eligible if they earn below 175 percent of the FPL.

FIGURE A.2

Comparing Current Pell Grants with Doubled Pell Grants at Four-Year Private Nonprofit Institutions



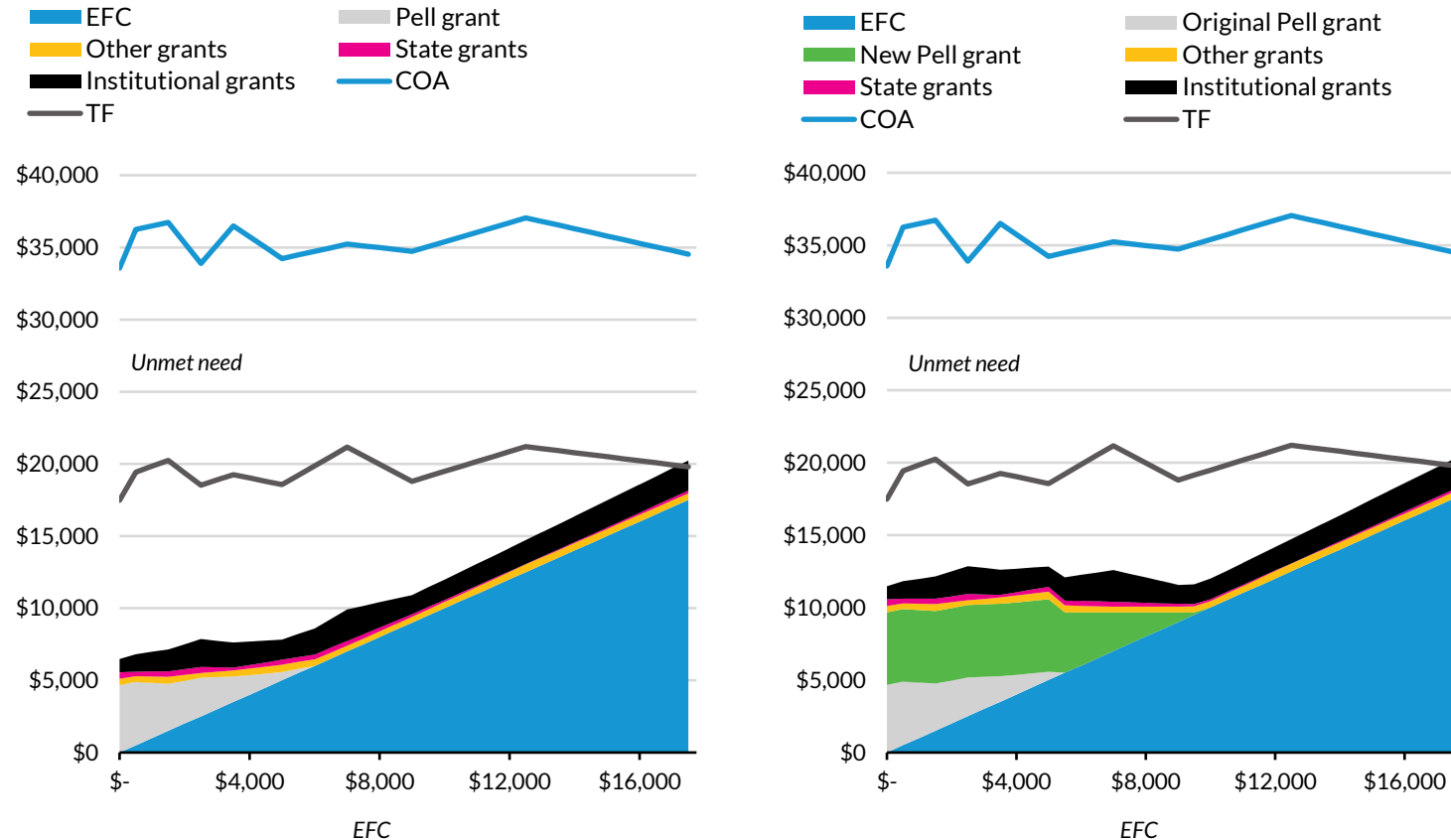
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Source: Authors' estimates using calculations from National Postsecondary Student Aid Study PowerStats.

Notes: COA = cost of attendance; EFC = expected family contribution; TF = tuition and fees. We calculated average grant amounts and COA for students starting full time in fall 2015 with \$0 EFCs or EFCs of \$1–1,000; \$1,001–2,000; \$2,001–3,000; \$3,001–4,000; \$4,001–6,000; \$6,001–8,000; \$8,001–10,000; \$10,001–15,000; and \$15,001–20,000. We assigned average grant and COA amounts to each EFC interval's midpoint value, and we interpolated values between these points. Average COA varies depending on the institutions students attend.

FIGURE A.3

Comparing Current Pell Grants with Doubled Pell Grants at Private For-Profit Institutions



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Source: Authors' estimates using calculations from National Postsecondary Student Aid Study PowerStats.

Notes: COA = cost of attendance; EFC = expected family contribution; TF = tuition and fees. We calculated average grant amounts and COA for students starting full time in fall 2015 with \$0 EFCs or EFCs of \$1–1,000; \$1,001–2,000; \$2,001–3,000; \$3,001–4,000; \$4,001–6,000; \$6,001–8,000; \$8,001–10,000; \$10,001–15,000; and \$15,001–20,000. We assigned average grant and COA amounts to each EFC interval's midpoint value, and we interpolated values between these points. Average COA varies depending on the institutions students attend.

TABLE A.1

Share of Students That Applied for Financial Aid Unmet Need

	All Students			Students Receiving Need-Based State Grant Aid			Students Receiving Institutional Grant Aid		
	Current Pell (2018 dollars)	Doubled Pell (2018 dollars)	Change	Current Pell (2018 dollars)	Doubled Pell (2018 dollars)	Change	Current Pell (2018 dollars)	Doubled Pell (2018 dollars)	Change
Dependent students									
Family income \$0–38,000	95%	86%	9 p.p.	94%	79%	15 p.p.	94%	84%	10 p.p.
Family income \$38,001–75,000	90%	81%	10 p.p.	94%	81%	13 p.p.	93%	82%	10 p.p.
Family income \$75,001–125,200	67%	62%	4 p.p.	82%	75%	8 p.p.	76%	72%	4 p.p.
Family income \$125,201+	32%	30%	2 p.p.	33%	30%	3 p.p.	39%	37%	2 p.p.
Independent students									
No children	85%	81%	3 p.p.	94%	87%	7 p.p.	91%	85%	7 p.p.
Single, with children	98%	97%	1 p.p.	97%	94%	4 p.p.	97%	95%	2 p.p.
Married, with children	89%	88%	1 p.p.	95%	93%	2 p.p.	93%	90%	3 p.p.

Source: Authors' estimates using 2015–16 National Postsecondary Student Aid Study undergraduate data.

Notes: p.p. = percentage points. A student has unmet need if the total of grant aid and EFC is less than the cost of attendance.

Notes

- ¹ Sandy Baum, Kristin Blagg, and Macy Rainer, “Building a State Financial Aid Program: What Are the Trade-Offs of Different Design Choices?” Urban Institute, October 14, 2020, <https://apps.urban.org/features/how-to-build-a-state-financial-aid-program/>.
- ² Kristin Blagg and Matthew Chingos, “How Will the New Pell Grant Formula Affect Students?” *Urban Wire* (blog), Urban Institute, August 5, 2021, <https://www.urban.org/urban-wire/how-will-new-pell-grant-formula-affect-students>.
- ³ See “Grants for Academic Year 2019–20, Q4,” US Department of Education, Office of Federal Student Aid, accessed October 11, 2021, <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/grants-ay19-20-q4.xls>.
- ⁴ Data from the National Center for Education Statistics DataLab.
- ⁵ “Trends in Student Aid Highlights,” College Board, accessed October 5, 2021, <https://research.collegeboard.org/trends/student-aid/highlights>.
- ⁶ “Understanding College Affordability: Financial Aid, Institutional Grant Aid,” Urban Institute, accessed October 5, 2021, <http://collegeaffordability.urban.org/financial-aid/institutional/>.
- ⁷ “Colleges with Need-Based Admission for U.S. Students,” Cappex, accessed October 5, 2021, <https://www.cappex.com/articles/match-fit/need-blind-admission-colleges>.
- ⁸ Kaitlin Mulhere, “These 75 Colleges Promise to Meet 100% of Students’ Financial Need,” *Money*, November 12, 2019, <https://money.com/colleges-that-meet-full-financial-need/>.

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