

How Congress Can Strengthen the Pell Grant Program to Make College More Affordable for Millions of Americans

Since 1972, the federal Pell Grant program has provided need-based grant aid to help low- and moderate-income students earn a college degree. The program, which helps more than seven million students attend and complete college each year, is the federal government's foundational investment in college affordability and enjoys strong, longstanding bipartisan support.¹

However, the share of college costs covered by the grant is at an all-time low. In addition, because of its [unique and complex funding structure](#), the Pell program is at ongoing risk of a funding shortfall. The program functions like an entitlement, where every qualified student receives a grant, but largely relies on discretionary funding, which leads to an inevitable annual mismatch between how much the program costs and how much funding is available. When the program faces a shortfall, students are at risk of losing aid.

Pell Grants Help Millions of Students Go to College ...

- **In the 2024-25 award year, more than seven million students depended on Pell Grants to attend and complete college.**²
- There is [clear evidence](#) that need-based grant aid such as Pell Grants increases college enrollment and completion among low- and moderate-income students.
- **The program is an engine of economic mobility for communities across the nation.** Notably, 80 percent of Black students, 73 percent of Hispanic or Latino students, 72 percent of American Indian or Alaska Native students, and 54 percent of Native Hawaiian/other Pacific Islander students receive a Pell Grant during their time in school.³
- **Pell Grants are extremely well targeted to students with very high financial need: 32%** of Pell recipients come from families with incomes at or below **\$15,000**, and **71%** of Pell recipients come from families with incomes at or below **\$40,000**.³

¹ U.S. Department of Education, Title IV Program Volume Reports, 2024-2025 Recipient Summary.

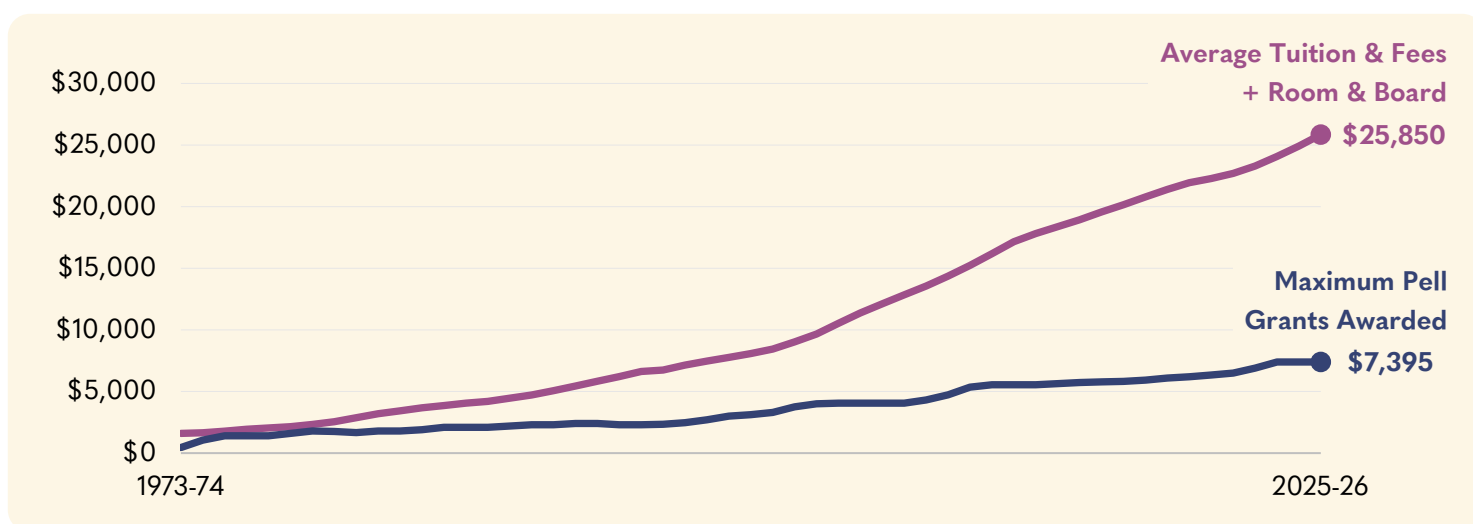
<https://studentaid.gov/sites/default/files/fsawg/datacenter/library/AidRecipientsSummary.xls>

² The 2024-25 award year is the most recently available data. U.S. Department of Education, Title IV Program Volume Reports, 2024-2025 Recipient Summary. <https://studentaid.gov/sites/default/files/fsawg/datacenter/library/AidRecipientsSummary.xls>

³ National Postsecondary Student Aid Study, 2019-20 (NPSAS:20). <https://nces.ed.gov/surveys/npsas/>

... But They Don't Go Far Enough

- **Students from low- and moderate-income families are in critical need of additional grant aid to pay for college.** Pell Grant recipients are already more than twice as likely as other students to have student loans (72% vs. 35%). More than three-quarters of Pell recipients that graduated from four-year colleges borrowed student loans, borrowing more than \$30,000 on average.⁴
- **The Pell Grant currently covers the lowest share of college costs in its history.** At its peak in 1975-76, the maximum Pell Grant covered 79% of the average cost of tuition and fees plus room and board at a four-year public college. **The 2025-2026 maximum award amount covers just 29% of those costs.**⁵



Source: Trends in College Pricing 2025, Figure CP-1 (<https://research.collegeboard.org/media/xlsx/Trends-in-College-Pricing-2025-excel-data.xlsx>)

- **For a student attending a four-year public college and living on campus, the 2025-26 maximum Pell award covers only 24% of total estimated college costs,** which includes expenses like transportation, books, and supplies.⁶

➔ **For our detailed recommendations on how Congress can strengthen and protect the Pell program, visit:** <https://ticas.org/affordability-2/2026-agenda-pell-grants/>

⁴ Note: Borrowing averages are rounded to the nearest \$100; National Postsecondary Student Aid Study, 2019-20 (NPSAS:20). <https://nces.ed.gov/surveys/npsas/>

⁵ Trends in College Pricing 2025, Table CP-2 (<https://research.collegeboard.org/media/xlsx/Trends-in-College-Pricing-2025-excel-data.xlsx>) and Federal Pell Grant Program of the Higher Education Act: Primer, Table B-1 (https://www.congress.gov/crs-product/R45418#_Toc182318258)

⁶ Trends in College Pricing 2025, Figure CP-1 (<https://research.collegeboard.org/media/xlsx/Trends-in-College-Pricing-2025-excel-data.xlsx>)