Pell Grant and Low-Income Student Postsecondary Education

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At pivotal moments in our nation's history, federal financial aid profoundly improved low-income families' access to postsecondary education. America once again finds itself at one of those pivotal moments requiring federal action.

American democracy relies upon a certain level of social equality, since radical disparities in prosperity can lead to societal conflict (Fowler, 2013). According to Fowler, America possesses the largest gap in the developed world between low- (25th income percentile and below) and high-income (75th income percentile and above) demographics. The long-term postsecondary education trends of reduced public funding and increased tuition have contributed to this gap (Zumeta, Breneman, Callan, & Finney, 2012). Social equality for low-income families depends upon attaining postsecondary education (Carnevale, 2014). Education policymakers can improve low-income families' social equality and ameliorate America's economic disparity by adjusting federal aid policy and commissioning Pell Grant research.

Improving economically disadvantaged students' access to college has long resided on the federal policy agenda (Sawhill & Goldrick-Rab, 2014). For example, the Pell Grant program was established in 1972 as the principal means for subsidizing college education for students from low-income families (DeWitt, 2010). According to the U.S. Department of Education (2014), "the Federal Pell Grant program provides need-based grants to low-income undergraduate . . . students to promote postsecondary education" (A1). In 2013-14, nine million students received $33.7 billion in Pell Grants (College Board, 2014b). Despite federal efforts, from 1972 to 2008 the college enrollment gap between low- and high-income families exceeded 20% (U.S. Department of Education, 2010).

Evidence suggests barriers to low-income student postsecondary education include misinformation about the many benefits derived from college completion and the actual costs of college (Baum et al., 2013; American Association of State Colleges and Universities, 2014). According to Baum and Schwartz (2012), college costs and benefits are commonly misconstrued and the ambiguous postsecondary education return makes the investment uncertain. Education policymakers can address these barriers by providing counseling at high schools where the majority of the student population is economically disadvantaged and by improving college cost and benefit information sharing with low-income families.

College completion rates are responsive to public intervention through increased federal student aid (Bloom, Hartley, & Rosovsky, 2006). As policymakers address economically disadvantaged students' college barriers, the numbers of low-income students attending college will likely expand. In 2012, college students and their parents received $17.4 billion in federal education tax credits and deductions (College Board, 2014b). All demographics leverage this subsidy, which equals about half the annual Pell Grant expenditure (Baum et al., 2013). Therefore, tax credits and tuition deductions must be considered for a more complete view of federal college student aid. To help fund the projected increase to low-income college student populations, eliminating tax credits and deductions and adding that funding to the Pell Grant program is an option.

Increasing the average Pell Grant amount is not required to enhance economically disadvantaged students' access to college. Since 1972, the average Pell Grant amount has exceeded the average tuition and fees at public two-year institutions (Archibald & Feldman, 2011). In 2013-14, the average Pell Grant amount was $3,678 and the average public in-state tuition and fees at two-year colleges was $3,347 (College Board, 2014a). According to the U.S. Department of Labor (2013), the occupations projected to grow the fastest over the next decade typically require two-year degrees and certificates. Therefore, education policymakers can ameliorate America's economic disparity through performance-based Pell Grants focused on degree and certificate programs that produce trained workers in high-demand job fields.

Critics assert Pell Grant aid contributes to low-income families' postsecondary education challenges by cushioning institutional tuition increases (Bennett, 1987; Editorial Board, 2012). According to Archibald and Feldman (2011), the existing empirical research was limited and failed to establish a causal relationship between Pell Grant aid and college tuition. Research-based understanding of how Pell Grant aid affects economically disadvantaged students' postsecondary education is inadequate (Kane, 2001; Long, 2006; Mundel & Coles, 2004). Policymakers can address this knowledge gap by commissioning Pell Grant program research.

Improving low-income families' social equality and addressing America's economic disparity are challenges for educational policymakers. The Pell Grant program provides a vital means for tackling these challenges by subsidizing college education for low-income students. Misinformation about college costs and benefits are barriers to low-income families' postsecondary education. Increasing information-sharing with low-income students and their families can help overcome these barriers. Additionally, researching methods to better target Pell Grant aid is merited. The outlined federal financial aid policy changes must be considered to improve low-income families' access to postsecondary education.

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