

FOR IMMEDIATE RELEASE
October 25, 2005

CONTACT: Laura Capps/ Melissa Wagoner
(202) 224-2633

****STATE BY STATE INCREASES UNDER KENNEDY AMENDMENT ATTACHED**

KENNEDY CALLS FOR COMMITMENT TO EDUCATING AMERICA'S FUTURE
Increase in Pell Grants Crucial link between families and college education

Today, Senator Edward M. Kennedy offered an amendment to increase the amount awarded to Pell grant recipients from \$4,050 a year to \$4,250 a year. This critical increase can mean the difference between a student being able to attend a four year institution or community college or forgoing the opportunity to receive a college education. In Massachusetts alone, nearly 80,000 students at Massachusetts colleges and universities received over \$180 million in Pell grants last year.

Senator Kennedy offered his amendment on the Senate floor this morning.

Senator Kennedy said, "Giving young Americans the chance to get a college education is fundamentally an issue of fairness. As a nation we can't afford to lose our young minds and to waste the opportunity to keep us globally competitive. Instead of lining the pockets of the wealthy with tax cuts, we should be giving our students the resources they need to go to college. America deserves better. The Pell grant provides the indispensable link to between hardworking families and a college education. The United States has never shied away from meeting the challenges of educating tomorrow's leaders, and this amendment is a reasonable step forward in ensuring that our future is in good hands. "

Kennedy Amendment #1
Pell Grant Increase

Summary

The Kennedy amendment would increase the maximum Pell grant from the current \$4,050 to \$4,250 – an increase of \$836 million in total appropriations.

□□□□ This amendment increases the maximum Pell grant by \$200. At a time when 4-year public college tuition has risen 7%, it is critical that we make a good faith effort to improve the purchasing power of Pell.

□□□□ The buying power of the maximum Pell grant declined from covering 57% of the cost of attending a 4-year public university in 1985-86 to only 33% in 2005-2006.

□□□□□Independent students are more likely to receive Pell grants than dependent students (61% vs. 34%), but are less likely to receive grants from states (19% vs. 24%) or institutions (15% vs. 35%). They need increased Pell aid to make those college courses possible so that they can earn their degree as quickly as possible.

□□□□□42% of Pell recipients are still dependent on their parents. 62% of those dependent students come from families with incomes below \$32,000. This \$200 increase can help with tuition or the cost of books for a semester.

□□□□□This amendment will mean 98 additional recipients in Alaska; almost 8,000 new recipients in California; 1,200 in Iowa; nearly 300 in New Hampshire; and over 1,500 in Massachusetts.

Pell Grant Fact Sheet

□□□□□The average cost of college attendance for 2005-2006 (includes tuition, fees, and for 4-year colleges, room and board) is:

□□□□□4-year private college \$29,026; 5.7% increase (+ \$1,561)

□□□□□4-year public college \$12,127; 6.6% increase (+ \$751)

□□□□□2-year public college \$2,191; 5.4% increase (+ \$112)

[College Board]

□□□□□The maximum Pell grant equaled only 33% of the average public 4-year tuition, fees, room and board in 2005-2006. This decreased from 57% in 1985-1986. [College Board]

□□□□□At the same time, state and local funding for higher education has decreased. In 2004, state and local funding per full-time equivalent student in public institutions was \$5,737. In constant dollars, this represents the lowest level of funding in 25 years (\$6,094 in 1981). In 2001, funding was at its highest point: \$6,874. From 2001-2004, funding per student decreased by 16.5%. [SHEEO]

□□□□□The number of students receiving Pell Grants was about 1.4 million higher in 2004-2005 (5.3 million) than in 2002-2001. The total number of undergraduates grew by about 1.5 million over this same period. [NCES, Projections of Education Statistics]

□□□□□Pell grant recipients attend different types of schools. In 2003-2004, 23% of students in

2-year colleges received Pell grants, 26% of students in 4-year public colleges received Pell grants, and 27% of students in 4-year private colleges received Pell grants in 2003-2004. [National Postsecondary Student Aid Survey]

□□□□□Independent students are more likely to receive Pell grants than dependent students (61% vs. 34%), but are less likely to receive grants from states (19% vs. 24%) or institutions (15% vs. 35%). [NCES]

□□□□□32% of full-time students receive Pell grants; 30% of women receive Pell grants; 47% of African American students receive Pell grants; and 37% of Hispanic students receive Pell grants. [College Board]

□□□□□Pell grants were awarded to 27% of all undergraduates in 2003-2004. The average amount was \$2,500. Among all dependent students who received Pell grants, 84% came from families with incomes under \$40,000. [NCES]

□□□□□Stagnant incomes for families contributed to increased Pell eligibility. Median family incomes for families with household heads aged 45-54 years (most likely to have college-age children) rose by only 3.4% between 2000 and 2003, constituting a 3.2% decline in 2003 dollars. [US Census Bureau, Historical Income Tables]

□□□□□Net price and work-loan burden facing today's lowest income families at 4-year public colleges is now in excess of \$9,000. Total unmet need for these students, after considering all aid, including loans, grants and work, is \$5,761. [Business Higher Education Forum]

□□□□□Total Pell grant expenditures rose by 50% between 2000-2001 and 2004-2005, as the number of Pell grant recipients grew by 36%. [College Board]

Pell Grant Amendment Massachusetts Fact Sheet

□□□□□Nearly 80,000 students at Massachusetts colleges and universities received over \$180 million in Pell grants last year.

□□□□□With a \$200 increase in the maximum Pell grant, more than 1,500 additional college students in Massachusetts will receive over \$200 million in Pell grants.

□□□□□If the Kennedy amendment is adopted, the total number of students in the Commonwealth receiving the grant aid will be 84,368 and the average award size will be \$2,410.

□□□□\$2,410 can go a long way in paying for textbooks, an extra course or credit, and other expenses.

□□□□Students at schools around the state rely on this grant aid.

□□□□At American International College in Springfield, 505 students received \$1.3 million in Pell grants last year.

□□□□At Boston University, more than 2,000 students received \$5.2 million in Pell grants last year.

□□□□At Bunker Hill Community College, 2,500 students received \$5.5 million in Pell grants last year.

□□□□At Northeastern University, nearly 2,600 students received \$6.4 million in Pell grants last year.

□□□□At Roxbury Community College, 1,600 students received more than \$3 million in Pell grants last year.

□□□□At Worcester State College, 873 students received more than \$2 million in Pell grants last year.