

Maximizing Pell Grants to Support Graduate Students

July 2021

Policy Brief

Workforce Demands Require Individuals with Graduate Degrees

According to the U.S. Bureau of Labor Statistics, jobs that require a master's degree are among the fastest-growing in the American economy.[1] In order to meet this demand, access to master's and doctoral education is critical. The ability to pursue a graduate degree, especially for those from low-income backgrounds, remains a high priority for the 117th Congress.

One way to accomplish this goal is to maximize the reach of Pell Grant support. Pell Grants are a trusted federal financial aid source with an established program in place which has provided support to millions of undergraduate students. Eligibility could be expanded to include those pursuing a graduate degree, thus helping to meet the need for individuals who possess the knowledge and skills shaped by their education.



Pell Eligible Students Face Greater Financial Barriers

According to the U.S. Department of Education, in Academic Year (AY) 2015-2016, nearly 46% of first-year graduate and professional students were Pell recipients, up from 35.9% in AY 2011-2012.[2] This trend is an encouraging indicator that a greater number of students from low socio-economic backgrounds are pursuing graduate education. However, master's students who were former Pell recipients are also more likely to carry undergraduate debt compared to non-Pell recipients. Further evidence shows that in AY 2015-2016, 69.7% of former Pell recipients in their first-year of graduate education took out student loans, compared to 37.6% of those who never received Pell.[2] Therefore, the choice to embark on a path towards a graduate degree may be unrealistic for many because of the higher debt load they carry.

46%

of first-year graduate and professional students received Pell during their undergraduate education in 2015-2016.



35%

of these students did not exhaust the full 12 semesters allowed in the current law.

[1] U.S. Bureau of Labor Statistics. (2020). Occupational outlook handbook. Retrieved from: <https://www.bls.gov/ooh/>.

[2] Okahana, H. (2018). Data sources: increasing number of graduate and professional students are former pell recipients. Retrieved from: <https://cgsnet.org/data-sources-increasing-number-graduate-and-professional-students-are-former-pell-recipients-0>.



Over One-Third of Pell Eligible Students Do Not Exhaust Full Support

According to 2016 data from the National Postsecondary Student Aid Study, over one-third (34.6%) of former Pell recipients pursuing graduate education did not exhaust the allowable 12 semesters of support during their undergraduate education.[2] However, current law does not grant these students the ability to allocate any remaining potential aid (if say, a student only exhausted nine of 12 semesters) towards a graduate degree. Allowing students who are deemed Pell eligible to use their remaining semesters of support to access graduate education will provide them with the education and training needed to engage in emerging and growing employment sectors.

Increasing Diversity Strengthens our Workforce and Competitiveness

Pell Grants promote economic diversity as well as diversity within other demographics, such as race and ethnicity. Ensuring that individuals from diverse backgrounds enter these professional pipelines increases diversity of thought and leadership to keep the American economy competitive globally. Numerous studies show that increasing diversity and inclusivity leads to higher performance and improved problem-solving in team-based settings.[3]

COVID-19 Poses Risks to Pipeline of Diverse Graduate Students

Emerging enrollment data show a troubling sign for the accessibility of higher education for low-income students. The National Student Clearinghouse Research Center's December 2020 report showcases a sharp decline in the number of low-income students enrolling in colleges and universities. The report points to a 32.6% decrease in students from high poverty schools who enrolled in college immediately after high school in 2020 as compared to 2019.[4] This trend has deep implications for the pipeline of students trying to access graduate education. As the impacts of the COVID-19 pandemic continue to shape enrollment trends, more than ever, it is essential to provide additional financial aid to students.

A Common Sense Solution to Improving Access and Diversity

One solution, the Expanding Access to Graduate Education Act ([H.R.4002](#)), was introduced in the 117th Congress, which CGS supports. This legislation would provide graduate students who received Pell Grant support as undergraduates and who remain income-eligible the ability to apply remaining semesters of Pell awards towards a graduate degree. This would allow students to "rollover" unused grant money towards their first post-baccalaureate degree. CGS encourages the 117th Congress to recommit to this effort.

[3] Hunt, V., Yee, L., Prince, S., Dixon-Fyle, S. (2018). Data sources: Delivering through diversity. Retrieved from: <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity#>

[4] National Student Clearinghouse Research Center (2020). Data sources: National College Progression Rates. Retrieved from: http://nscresearchcenter.org/wp-content/uploads/2020_HSBenchmarksReport.pdf