

# The pell grant essay example

[Profession](#), [Student](#)



Pell Grant Program policy offers a grant available to eligible undergraduate students who must not have earned a bachelor's degree, to pay for their education after high school. It is limited to students with financial needs. It was named after U. S. Senator Claiborne Pell of Rhode Island, though it was originally known as the Basic Educational Opportunity Grant. It is sponsored by the U. S. Department of Education which determines the student's financial need. Often the grant is limited to fifty percent of the student's educational and related expenses. Unlike loans, grants do not have to be repaid. In addition, students who are enrolled in certain post baccalaureate programs leading to teacher certification or licensure may also qualify for the grant. It is considered as the foundation of federal financial aid, to which aid from other federal and non-federal sources might be added. Before it became what it is today the Pell Grant has metamorphosed through a number of changes. It is the contention of this submission that the Pell Grant is a welcome policy that continues to offer valuable financial support to the needy student populace in America. In addition, this submission contends that the Pell Grant meets the requirements of the strategic triangle in the sense that it is valuable to its consumers (read students), it is politically sustainable and legitimate having been anchored in the law and that it administratively feasible. In the ensuing discussion, this submission shall in detail canvass the Pell Grant.

The policy suffices purposes of offering assistance students who have difficulties in paying their college fees. These students essentially have financial needs, and it is necessary to sponsor them so that they can see through their college education. The program also promotes lifelong learning

by encouraging low-income adults now in the workplace to return to school for purposes of upgrading their skills and competence. For many students, this grant is the floor of financial aid, with other federal and non-federal sources added to meet their financial needs. The program serves as an integral component of the social safety net, providing individuals who have not completed their Bachelor's degrees with the opportunity to gain the education and training they need to succeed in the workforce. Adult students have more compelling reasons to complete their programs quickly and to see immediate returns in the form of well-paying jobs. For older students with personal and family responsibilities, time is limited and their goals tend to be more specific. Many younger students, on the other hand, are likely to benefit from a broad education that provides opportunities for exploration and changes of course, accumulating experiences and building a variety of personal qualities along the way.

The amount of a student's Pell Grant is dependent on the student's 'expected family contribution' (EFC), the cost of education, whether the student attends school full-time or part-time and whether the program is a full academic year or less. The disbursements are made to students at least once every term during the award year or at the beginning and mid-point for programs without terms.

Recipients of this grant must be undergraduates, as earlier stated, and cannot have previously received a Bachelor's degree (with the exception of certain teacher certificate programs). In addition, they must be enrolled with the purpose of obtaining a degree or a certificate at an eligible institution. They must also have a high school diploma or a demonstrated ability to

benefit from the training offered by the institution. These are some of the required qualifications for one to be granted the Pell Grant. Also, a student on a loan default or who owes an overpayment on any other previously received Federal student aid, may not receive additional funds under the program unless he or she repays the debt in full, or makes satisfactory repayment arrangements with the holder of the debt. The student must also be a United States citizen or a permanent resident or fall under other eligible classifications of non-citizens. He or she must have a valid social security number, make satisfactory academic progress, have been registered with a selective service if he is a male between the ages of 18 to 25 and have been certified by a signed FASFA that he or she will use any federal student aid funds awarded to them solely for educational purposes.

The financial need of the students are determined by the U. S Department of Education using a standard formula, established by Congress, to evaluate the financial information reported on the Free Application for Federal Student Aid (FAFSA) and to determine the family EFC. The fundamental elements in this standard formula are the student's income and assets (if the student is independent), the parents' income and assets (if the student is dependent) and the family's household size and the number of family members attending postsecondary institutions. Generally, the EFC is the sum of a percentage of the net income (disposable income after subtracting allowances for basic living expenses and taxes) and a percentage of net assets (assets remaining after subtracting an asset protection allowance). Different assessment rates and allowances are used for dependent students, independent students without dependents, and independent students with

dependents.

The goal of the Pell program broadly stated is to improve educational attainment. But the specific economic rationale for subsidizing recent high school graduates, for whom the program was originally designed, differs in subtle but important ways from the rationale for subsidizing the older individuals who now make up a large fraction of the recipients. The primary goal of the Pell program for younger students is to promote access and opportunity for students from disadvantaged families, diminishing the gap between them and those who grow up in more-privileged circumstances. Both equity and efficiency considerations dictate the consideration taken. In overall, the grant seeks to diminish the financial barriers these young people face in the continuation their education beyond high school. The economic rationale for the public subsidy for older students has less to do with equalizing opportunity and more to do with providing a type of social insurance. This means it affords an opportunity for individuals who have had limited success in the labor market for whatever reason to improve their skills and reenter the workforce, hopefully as quickly as possible, and in a stronger position.

In 1965, a statute called the Higher Education Act was drafted and assented to by the president, who at that time was President Lyndon B. Johnson, as part of his agenda to assist and improve higher education in United States. Pell Grant began as a 1972 amendment to the Higher Education Act 1965. The amendment re-authored the three campus-based programs, leaving the Economic Opportunity Grant Programs, but renaming two others. In 1978, the Middle Income Student Assistance Act of 1978 (MISSA) was signed into

law by President Jimmy Carter. This law provided and continues to provide more generous Basic Educational Opportunity Grant-Pell grants, to low-income students and makes eligible students from families with income below \$25, 000.

In the recent past, and as late as 2011, several changes to the program (Pell Grant) were advanced. The program was funded at an amount of \$ 17, 114, 000, 000 from 2008-2010 as part of the American Recovery and Reinvestment Act of 2009. The Board of Ordained Ministry is responsible for recommending to the Pell foundation requests for grants. Although the program began as a way to provide a college access to low-income students, it has grown so wide in recent years to the extent that nearly 60% of all undergraduates received a Pell grant in the 2009-2010 academic year. Of the 16. 4 million undergraduate students enrolled in college in the United States in 2010, 9. 6 million received Pell grants. The program's cost roughly doubled between 2008 and 2010, in part because the President and Congress increased funding and shielded it from budget cuts.

The program's stated goals focus on getting students into but not through college or, indeed, accomplishing any measurable goal beyond enrollment. The question of the effectiveness of this grant, therefore, arises. It is also critical to consider the issue as to whether the program effectively serves the students who receive them and whether taxpayers are getting an acceptable return on their investment of billions of dollars per year.

The Pell Grant program is currently funded for 2 years; for example, funds become available for obligation on October 1 of the fiscal year in which they are appropriated and remain available through September 30 of the

following fiscal year. Funds from the 2010 fiscal year appropriation will be used for grants in the 2010-2011 award years, which run from July 1, 2010, through June 30, 2011. If Pell Grant costs for a given academic year exceed the corresponding appropriation, the Department uses the next fiscal year's appropriations to cover the full cost.

If an analysis is carried out, it will be discovered that 60% of Pell recipients are women, compared with only 56% of all undergraduates. There is also a risk factor of grantees dropping out before obtaining a degree. The recipients also seem to have lower scores than non-recipients and they are more likely to be financially independent. In addition, majority of the Pell recipients may have parents who are capable. All these contribute to the risk factors for dropping out. That notwithstanding, generally speaking, since its inception, the Pell Grant program has significantly grown if measured in terms of participation and expenditures. This can be traced to the skyrocketing number of participants. However, award amounts have not been increasing, but the tuition has substantially increased. Some of the growth in the Pell participation can be attributed to changes in eligibility requirements. The growth in the percentage of Americans living in poverty has also in a way contributed to a small proportion of the growth of Pell grants since 1974. In addition to being expensive and inefficient in its effort to target low-income students, the program contributes to rising college costs, perhaps defeating, in part, its purpose. However it must be acknowledged that it at least has some effect towards aiding tuition payment burden. The current system relies on the need-analysis formula incorporated in the Federal Methodology that was legislated in 1992. This was developed from the

systems designed by the higher education community to determine parental ability to pay for college. The Federal Methodology includes separate formulas for students who are dependent on their parents, for independent students with dependents of their own, and for independent students without dependents. All students aged 24 and above fall in one of the two independent categories.

Developing the appropriate guidance systems has a greater challenge. The structure proposed for dependent Pell Grant recipients would not require significant resources, but the structure for older students will. The first step would be better coordination between the Department of Labor and that of Education. The One-Stops currently operating under the umbrella of the Workforce Investment Act are a promising starting point, but are of uneven quality and are not currently properly equipped to provide the proposed services. It is critical that the reformed Pell program integrate these or other institutions with efforts to guide adults into productive postsecondary paths instead of focusing on immediate labor-market outcomes. The goal is not to establish overlapping bureaucracies, but rather to increase the effectiveness of existing structures.

The effects of the Pell Grant program to the society and the community include the aid to high- and median-income families, the aid to private colleges (through higher tuition) as opposed to public institutions, the fact that it works for the equality of financial opportunities across the social structures, it aids state taxpayers at the expense of federal taxpayers. In addition, the grant is responsive to quality and supportive of diversity. However, the grant could be failing in the following lines, it treats all



institutions equally, but states with high enrollments receive much more than states with low enrollments and the fact that it raises constitutional issues about aid to religiously controlled institutions.

The Pell Grant program was designed with the assumption that giving money to students from low-income families would overcome the main hurdle they faced in meeting their educational goals. There was more concern about whether they could afford to enroll rather than whether students were prepared to complete the programs they started. While eventual degree completion rates have hovered around 50% for decades, time to completion has increased substantially. Lesser than 40% of Bachelor's degree recipients finish their degrees by age twenty-two, compared with more than 60% in the 1970s.

The Pell Grant program has long been the federal government's foundational program to provide for access to college. The National Bureau of Economic Research, a nonpartisan federal agency, determines when recessions start and end. In examining the political support of the Pell, it remains one of the largest programs administered by the U. S Department of Education and has historically received bipartisan support. However in these tough economic times, it has become dicey and the support nearly jeopardized. As earlier observed, in 1965, President Lyndon pushed Congress for the passage of the Higher Education Act, which was aimed at helping lower and middle-income students attend college either with grants or through low-interest loans. Thereafter, by 1972, Senator Claiborne Pell sought to reform the HEA. He wanted a basic grant, hence the Pell Grant, to serve as the foundation for an undergraduate's financial aid. The program was added to provide money

that does not need to be repaid. Recently, President Obama increased Pell Grants in the American Recovery and Reinvestment Act, effectively raising the maximum Pell Grant award. In 2009 and 2010, the Obama administration pushed to eliminate the federal guaranteed student loan program, which subsidized student loans issued through private lenders. The administration argued that the money that went to banks through the program would be better spent on direct federal loans to students or to Pell Grants, which provide students with up to \$5,600.

Spending on the grants, which have long been the bedrock of the American student financial aid system, has exploded since 2008, due to several factors hence significantly increasing college enrollments (with much of the growth among for-profit institutions). The economic downturn that changed many students' financial situations for the worse equally 2008 expanded the number of students eligible for the grants.

The Pell Grant is a sustainable program despite the challenges it faces. To reduce income inequality and help the United States regain its former status as the most college-educated nation in the world, the federal government needs to develop a long-term strategy to support its primary means of helping the poor pay for higher education. The federal Pell Grant program has transformed the lives of many Americans who would not have had access to postsecondary education without the support. However, it was designed forty years ago with a focus on high school graduates from low-income families for whom the primary barrier to a college degree was lack of funds. Today, over half of all Pell Grants are awarded to students without regard to their parents' financial circumstances, because almost half of the

recipients are over the age of twenty-four, and 60 percent are independent. A significant portion of the funding is used for short-term occupation-specific programs, many of which are offered in for-profit institutions. Too many students particularly among those returning to school after time in the labor market never earn postsecondary credentials. It is time to restructure the program to better serve current and future students.

## References

Alon, S. (2007). The influence of financial aid in leveling group differences in graduating from elite institutions. *Economics of Education Review* , 26, 296-311. Retrieved from <http://people.socsci.tau.ac.il/mu/salon/files/2010/10/the-influence.pdf>

Congressional Budget Office. (2013). *The Federal Pell Grant Program*.

Washington D. C. : Congressional Budget Office. Retrieved from [http://www.cbo.gov/sites/default/files/cbofiles/attachments/44448\\_PellGrants\\_9-5-13.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/44448_PellGrants_9-5-13.pdf)

Davidson, C. (2013). Why Community College Students are so Poor, but Only 16. 9% Received Federal Pell Grants. *Community College Journal of Research and Practice*, 37(7), 503-513.

Katsinas, S. (2012). Public Education/ Private Funding- The Growing Impact of the New Pell Grant Funding. *Journal of Collective Bargaining in the Academy* , 1-43. Retrieved from <http://thekeep.eiu.edu/cgi/viewcontent.cgi?article=1239&context=jcba>

Kelchen, R., & Rab, S. (2012). *Accelerating College Knowledge: Examining the Feasibility of a Targeted Early Commitment Pell Grant Program*.

Madison: University of Wisconsin Madison. Retrieved from [http://www.](http://www.https://assignbuster.com/the-pell-grant-essay-example/)

<https://assignbuster.com/the-pell-grant-essay-example/>

insidehighered. com/sites/default/server\_files/files/Kelchen%20Goldrick-Rab  
%20Early%20Commitment%20Paper%20with%20summary. pdf

The Institute for College Access and Success. (2013). White Paper- Project on  
Student Debt. The Institute for College Access and Success, 1-94. Retrieved  
from [http://projectonstudentdebt. org/files/pub/TICAS\\_RADD\\_White\\_Paper. pdf](http://projectonstudentdebt. org/files/pub/TICAS_RADD_White_Paper. pdf)