Pell Grants And America’s Rural Community Colleges

Jan Friedel, Associate Professor, Community College Leadership Program, Iowa State University, Ames, IA
Herbert J. Swender, President, Garden City Community College, Garden City, KS
Outline

1. Introduction
2. Why is Pell important?
3. Our national and state studies: what did we learn?
   National Survey and Kansas Survey
4. What are the implications of these studies?
5. What is the meaning of these results for community college presidents, administrators and board members?
6. What do we need to be aware of as we advocate for Pell?
7. What is new with Pell?
8. “What can we do discussion”
As Foundations Push from Access to Completion, it's useful to consider Senator Pell’s original expansive vision

- Students without sufficient financial resources who had the talent, drive, and ability should receive a grant to get a college education.

- Eligibility is determined by need, & award amounts related to the cost of education at the institution the student attended.

- Today’s Pell Grant has served more than five times the number of students than the nation’s most notable legislation, the Montgomery GI Bill that followed WWII.
Today

- The Pell Grant program dominates the federal education budget

- In 2010-2011, Pell took half of the DOE’s budget and is the federal government’s single largest expense on higher education

- Pell expenditures increased from $8 bil in 2000-2001 to $18 bil in 2008-2009, and nearly $33 bil in 2010-2011.

- Despite regular increases in funding, the purchasing power of Pell Grants has diminished significantly
  - In 1973-1974, the maximum Pell Grant paid about 72% of college costs
  - In 2012, the maximum Pell grant covers approximately one-third of costs
National Considerations

- The number of students eligible to participate in the program has grown substantially

  • In 1973-1974, 176,000 Pell recipients received an average of $270
  • In 2010-2011, nearly 9,000,000 Pell recipients received an average of $4,115.

- In 2010-11, 35% of all undergraduate students received Pell Grants, up from 20% a decade earlier.

- Continued growth is projected
Debunking Pell’s Urban Myth

**MYTH:**

Needy, low-income minority students who receive most of the Pell Grants attend our nation's urban community colleges.
Debunking Pell’s Urban Myth

FACT : Pell is a rural program, too!

• While 33% of all community college students attend rural CC’s, 39% of all Pell Grants awarded go to students at rural community colleges

• Rural community colleges comprise nearly 6 in 10 of all U.S. community college students
  • Nearly 600,000 new credit students attended U.S. community colleges from 2001-2002 through 2007-2008
  • 43% of the new students attended rural community colleges, a rate higher than the increase at urban and suburban colleges
What do we know from previous studies?

• More rural community college students rely on federal, state, and institutional GRANTS…*and more incur DEBT*

  – Rural Community College students have the highest rates of Pell participation yet incur *by far* the highest rates of debt (48% of the total) due to out-of-pocket expenses
GEOGRAPHY MATTERS:
3 studies of Pell conducted in past 2 years

1. The Growing Impact of the New Pell Funding, A Profile of 205 Colleges in 25 States
   (April 2011)

2. The Power of Pell: A Grassroots Perspective (The Kansas Study)
   (February 2012)

3. Statewide Profile of Pell's Impact in Iowa
   (April 2011)
GEOGRAPHY MATTERS

The Growing Impact of the New Pell Funding - A Profile of 205 Community Colleges in 25 States
(April, 2011)
Research Questions

1. What was the impact of ARRA's Maintenance of Effort provisions?

2. What was the impact of new Pell funding?

3. Were there differences by community college type?
What did we learn from our national study?

- Maintenance of Effort \textit{AND} Pell increases \textit{LOWERS} the Marginal Cost of Attendance

- MOE + Pell = More Students Taking More Credit Hours at 205 Community Colleges (12 month calendar year)

- America's Summer 2010 Community College Enrollment Spike \textit{Is Driven by Pell}
We thank EPC Director Dr. Stephen G. Katsinas for the opportunity to make this study possible.
“Everyone serving community colleges should never forget two things about Pell Grants. In 40 years they have made community colleges the largest provider of undergraduate education and college credit, and they have made women the majority in all college enrollment. Furthermore, Pell Grants coupled with community colleges are the largest engine of workforce development, the American Dream, and the middle class of the future.”

Dr. R. Frank Mensel, Senior Fellow, Education Policy Center
The Study…

• Originated at Garden City Community College to look at enrollment supported by student aid

• The instrument was a survey with a 30-year history
  • Originally used in the 1980s by both ACCT and ASACC to show the data on their visits to Congressional offices
  • Its author, Frank Mensel, was lead Congressional liaison for AACC and ACCT for over a decade spanning from the 1980's-into the early 90's, while also advising ASACC on its legislative priorities
  • For this study, the instrument was modified to track grants by gender

• The Education Policy Center of the University of Alabama-Tuscaloosa assisted GCCC with the survey and spun the Kansas data into a study of its own, also released publicly in February, 2012
The Study…

- No state is more representative of rural America than Kansas

- The Kansas Community College system includes 19 comprehensive community colleges
  - 16 of the 19 are classified as “Rural Serving under the Carnegie Classifications of institutions of higher learning
The Impact…

• In a two-year spread, both overall enrollment and Pell dollars rose dramatically across the state

• Enrollment:
  • Headcount enrollment increased by 11% to 77,820
  • FTE increased by 15% to 49,066 from Fall 2008 to Fall 2010
The Impact…

• Nearly half of the college credit being earned in the 16 rural colleges is going to students on Pell Grants
  • Rural community colleges are generally heavily dependent on Pell Grant enrollment
  • FTE in credits earned by Rural Pell recipients far surpass Suburban Pell recipients

Percentage of Kansas Community College FTE using Pell Grants
The Impact...

- Pell Grants are contributing strongly to the march of women to a still greater majority in undergraduate studies
  - Both men and women significantly benefit from Pell Grants.
  - The number of women receiving Pell Grants increased by 70 percent in two years and the number received by men increased by 85 percent.
  - In general within the Kansas community colleges, women outpace men by upwards of 43 percent on Pell Grants.
The Impact…

• In each college, women outnumbered men in both headcount enrollment and Pell Grants
  • Women generally led men in Pell awards by even larger margins than in enrollment

• In a large majority of the colleges, Pell dollars more than doubled between Fall 2008 and Fall 2010, even though their enrollment drew increases in the same span of between 20% and 30%
The Impact…

• From Fall 2008 to Fall 2010, Pell dollars in Kansas grew by 98% from about $20.5 to $40.4 million
  • Pell awards grew by 75% in 2 years

• Earlier studies have shown that community colleges are enrolling a still growing proportion of all undergraduates in this century, expanding their lead over all other postsecondary sectors.

• They have also shown that the rural community colleges are now outpacing both the urban and suburban members of this family.

• Thus the rural community colleges carry the largest subsector of enrollment in the largest sector of undergraduate enrollment
The Challenge...

- These trends should be tracked in continuing research as they are bound to bear upon workforce development and the nation's economic competitiveness globally.
  - How much of this change is driven by the economic downturn and high unemployment?
  - How much by the determination of women to compete in the workplace?

- Pell is not educational welfare—it is a driver for affordable access to higher education! *Jan Friedel and Herbert Swender, 2012*