

Nearly 90,000 Pell Grant Recipients Are Qualified But Do Not Attend Selective Colleges, New Georgetown University Report Finds

Sixty-nine of the most selective private colleges ran average annual budget surpluses of \$139 million over the last four years, but admitted fewer than 20 percent of Pell Grant recipients

(Washington, D.C., May 2) A majority of Pell Grant recipients attend open-access colleges with low graduation rates (49%) even though thousands are qualified to attend selective colleges with high graduation rates (82%). New analysis from the Georgetown University Center on Education and the Workforce (Georgetown Center) finds that the nation's most elite universities could enroll more low-income students without significantly hurting their graduation rates or budgets.

The 20% Solution: Selective Colleges Can Afford to Admit More Pell Grant Recipients also reveals that about 86,000 Pell Grant recipients score at or above the median on standardized tests for students at selective colleges (1120 or higher on the SAT/ACT) but do not attend them. If every college was required to have at least 20 percent Pell Grant recipients, more than 72,000 more Pell students would have to be admitted to 346 colleges and universities.

“Highly-qualified Pell Grant students are being turned away from the opportunity for an elite college education, which is more and more open only to the wealthy,” said Anthony P. Carnevale, director of the Georgetown Center and lead author of the report.

Recent bipartisan legislation from Sen. Johnny Isakson (R-GA) and Sen. Christopher Coons (D-DE) has tried to address this issue, requiring colleges with the lowest ratio of Pell Grant recipients to admit more low-income students, or pay a penalty. The goal is to give more low-income students a shot at getting a degree from an elite college.

Many suggest that Pell Grant recipients do not gain admittance because they are not qualified. However, the Georgetown Center finds that Pell Grant recipients graduate at almost exactly the same rate as all students at selective colleges. Seventy-eight percent of Pell recipients who attend selective colleges and universities graduate, while their chances to complete diminish to 48 percent at open-access colleges.

The average Pell Grant is \$3,724 (the maximum is \$5,815), but that covers only a small portion of the cost of attending a selective college. Many also suggest that selective colleges cannot afford to enroll more Pell Grant students because it would create too great a strain on their financial aid budgets. On the contrary, the study finds that many selective colleges average large budget surpluses. In fact, the 69 most-selective private colleges had an average annual budget surplus of \$139 million from 2012-15, and they have a median endowment of \$1.2 billion. Sixty-nine of the 79 most selective private colleges and universities have less than 20 percent Pell Grant recipients.

Other Key Findings:

- About 150,000 Pell Grant recipients have SAT/ACT scores as high as other students at selective colleges, but more than half of those Pell students do not attend selective universities.
- Pell Grant recipients who scored above the median (1120) on the SAT but are not attending selective colleges are overwhelmingly white.
- Nearly three-quarters of Pell Grant recipients are from families making less than \$30,000 per year.
- To meet a threshold of 20 percent Pell Grant recipients, the selective colleges that would have to add the most Pell students are the University of Wisconsin-Madison (1,467) and Penn State University (1,357). The private selective universities that would have to add the most students are Boston University (1,046) and Washington University in St. Louis (975).



- A small number of highly-selective colleges do have enrollments in which more than 20 percent of undergraduates are Pell Grant recipients, including Columbia University (21%) and the University of California at Berkeley (31%).

“Competitive pressures keep elite colleges from admitting low-income students even when they are qualified,” said Martin Van Der Werf, associate director of editorial and postsecondary policy at the Georgetown Center and co-author of the report. “If the colleges themselves won’t change their admissions policies, it’s worth considering whether we should require a minimum enrollment standard of 20 percent Pell Grant recipients.”

To view the report and a full list of schools with Pell percentages and budget surpluses, visit cew.georgetown.edu/pell20.

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